With Thirteenth Annual Pulp and Paper Supplement

Largest Circulation
of Any Canadian
Financial Paper

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXIV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 26, 1931 10c a Copy; $5.00 a Year No. 39

Canadian Mining
News Department
Page 20

The Nation's Business

The Cycle of Deflation
Process Continues Relentlessly
Panaceas Only Pile Up Trouble

Cycle of Deflation Still Carries On

THE fact that Britain's suspension of gold payments has given business men generally their worst shock since October, 1929, is evidence that the seriousness of the world crisis and the fundamental nature of the developments that are taking place have penetrated but slowly to the minds of most people. Prosperity has been just around the corner, false prophets and fake economists have told us daily since Christmas, 1929. But people have wakened up this week to find that what was just around the corner was not prosperity but a continuance of a world-wide period of deflation. Perhaps it would not be an exaggeration to say that, for the first time, the rank and file of the business people of the world now realize that the nations are proceeding slowly, painfully, but certainly through a major period of post-war deflation, approached by only two previous periods in modern commercial history, but exceeding them in intensity just as the Great War exceeded in size and world significance the Napoleonic war period and the mid-Nineteenth Century war period.

What development more constructive could we ask than this; that the world has come to a realization of exactly what is taking place? What better promise can we have of sanely constructive action than a realization that panaceas and attempts to restore, in individual areas, the status quo of 1925-1928 are not the way out. There was a second piece of constructive news this week, that the big United States steel companies had abandoned their futile policy of holding up wages which meant inevitably holding down employment.

* * *

THE collapse of the gold standard in Great Britain comes as a rude shock to many. What should really have given the world its rude shock was the attempt ever to restore the gold standard in Britain at the parity retained in 1925. Britain's present action is evidence that artificial attempts to stem the tide of deflation are impossible of success. The history is yet to be written of the men, the means and the motives, behind the artificiality and the costly inflation of recent years that have touched and influenced stock prices, commodity prices, governmental expenditures and private debts. We hear of the fortunes that have been lost. We hear less of the fortunes that have been made.

* * *

DEFLATION must run its course. The upset to commercial and financial operations that we observe and feel concurrently with deflation is due to the lack of equilibrium, the unevenness in the process. Deflation has gone far—possibly too far in some directions and it has scarcely gotten under way in others. Farm land values are away down; commodity prices have fallen to panic levels; security prices have found successively lower bottoms; silver, the basis of half the world's currency, has gone the way of commodities; capital values have been greatly reduced in many directions; some of the world's currencies have been devaluated. In these and other directions deflation has proceeded with little recent interruption, and certain groups of people have borne the brunt of the loss.

But other groups have resisted deflation. Wages are little touched; reparations and war debts remain at their former book figures; mortgages and most similar forms of capital debt are about where they were before; national debts of some countries—notably those in South America—remain at nominal levels far beyond capacity to pay; governmental expenditures are higher in the aggregate throughout the world than ever before in times of peace. In these directions, deflation has failed to come.

Half the people of the world have been forced back to 1914; the other half fight tenaciously to hold their war gains. But their grip is slipping.

* * *

THE comment is frequently heard that the world seems at the moment to be lacking in constructive leadership. There is a lot of leading being done but most of it is being done by the higher placed politicians—some sincere and others merely tools for hidden interests—but the quality of their direction is not of the best; it is in fact harmful for it is so largely based upon a selfish juggling of national interests that it is leading to much international discord. And if one thing will set serious obstacles in the way of recovery more than anything else it is ill feeling between nations or continents.

* * *

ONE might expect leadership from the great business chieftains of the world and in this respect the obvious place to look for it is among those in control of the world's great banking institutions. Perhaps the world is better

(Continued on page 2, col. 5)

STERLING DROP FAR-REACHING IN ITS EFFECT

British Manufacturer Gains Temporarily in Canada Market

TRADE UPSET

Permanent Result Will Doubtless Be Review of Entire Gold Standard Basis

Since last Monday morning the business and financial world has been trying to recover from the shock of the most important major surgical operation of the past decade.

That the patient is going to recover there is little doubt but in the meantime everyone is wondering who is going to pay the bill, what is going to happen during convalescence, and what sort of place (financially speaking) the world will be when the patient regains once more the full use of its faculties.

All these questions are particularly pertinent to Canadian business men because although not a major power herself, Canada is closely bound both to Great Britain and the United States and therefore may experience some difficulty in knowing just what her lot may be in the ramifications of this world hospital.

Toronto had in her midst on the day this thing happened, one of the foremost economists in the world and although he had come prepared to talk about something quite different, Dr. T. E. Gregory, professor of banking, London School of Economics, wisely threw his notes in the basket and gave 800 members of the Canadian Club in that city, an amazingly clear and concise picture of what had happened and what would be the probable consequences.

Reasons for Step

Briefly summarized, he gave three reasons why Great Britain had been forced to take this step after a period of five years, as follows: 1. the growing feeling in all parts of the world that the economic strength of Great Britain has been declining since the war. 2. The European crisis which involved Britain heavily because she had been borrowing money at cheap rates in France and the United States and re-lending at high rates in Germany. 3. Unfavorable and entirely unforeseen events of the past two weeks, namely, world-wide publicity given by the press to a mutiny in the Royal Navy over wage reductions; widespread discussion of the prospects of a British general election which culminated in the sudden cumulative withdrawal of balances from all parts of the world on a scale which precluded a possibility of them being met by anything short of extraordinary measures.

None of these specific causes explained the whole situation, Dr. Gregory pointed out, because behind all this was the cumulative effect of a world depression which had been aggravated beyond measure by a highly-involved and antagonistic political situation which not even the offer of President Hoover in regard to war debts had been able to shake loose.

Temporary Advantage

As to probable effects, Dr. Gregory warned his listeners that events from hour to hour or from day to day were liable to change anyone's opinion but that from the British point of view if the pound sterling stabilized temporarily at between

(Continued on page 16)

Canada Debtor Country So Dollar Depreciates

In Meantime "Fiction" is Maintained That Our Currency is Still on Gold Standard—Business Men Can Claim Gold

Canada is a debtor country and debtor countries are not in international favor at the present time. That is the underlying reason for Canadian currency being quoted at a substantial discount to United States funds.

Little assistance, however, was offered by the majority of Canadian bankers interviewed by The Financial Post, as to exactly what specific reason lay behind this week's sudden drop or as to how long it would last. Some incline, however, to the opinion that an 8 or 10 per cent discount on Canadian funds will be a good thing for us, in that it will drive home quickly and effectively the fact that for a young country we have built up an enormous tower of debt for railways, highways, and other capital assets, and that sooner or later we must pay the bill. Two years ago we apparently had plenty of wheat and merchandise to pay our bills but today these are only worth a fraction of what they were then and many are not saleable at all. Hence this position is now reflected in the current quotation of Canadian funds in New York.

Furthermore, despite the reassuring statement of Prime Minister Bennett, Canada is not really on the gold standard and will not be unless the government creates in New York a loan to purchase Canadian funds at or near par, or ships gold to correct the unfavorable balance.

Being on the gold standard implies that Canadian currency is exchangeable dollar for dollar for gold. This is still true in theory and bankers state that any business man can still demand from the receiver-general at Ottawa or from his assistants in various Canadian cities, an equivalent sum of gold for Canadian dollar bills. If this were done, however, to any considerable extent, it would soon exhaust the federal supply of gold and force the government to admit the real truth, that a gold standard cannot be maintained while Canadian currency is quoted at a substantial discount to that of the United States. At the present time it would be highly profitable to Canadian banks to take up and ship gold but undoubtedly (as was the case two years ago) a tacit agreement has been reached by the government and the banks that they will not take advantage of the

(Continued on page 2, col. 3)

BRIDGE AUDIT MAKES PROBE UNAVOIDABLE

Investigation of Montreal Harbor Scandal Forecast

From Our Own Correspondent

OTTAWA.—Scarcely have the echoes of the Beauharnois scandal died away, than the corridors of Parliament are alive with whispers of new scandal, further investigations.

It is regarded as certain that next session will see another special committee appointed to delve into expenditures of the King Government, and that this time the subject for investigation will be the new Montreal Harbor Bridge. The auditor's inquiry has been completed, and the report is in the possession of Premier R. B. Bennett. Had the report been received early enough, the investigation might have been launched at the same time as Beauharnois. But it did not come to hand in time to enable parliament to take action this year.

Cannot be Avoided

How a parliamentary inquiry can be avoided is difficult to see. There are grounds for the view that Mr. Bennett is not enamoured of the business of washing dirty linen in public. Yet the facts in regard to the Montreal Harbor Bridge must be got, officially, on to a public record before action can be taken, wrong-doers punished, monies, where possible, recovered.

The harbor bridge was one of the more notable of the great undertakings carried out under the late government. In approximate figures, the bridge was to cost $9,000,000. But before it was finished the expenditures ran to $17,000,000 and more. Where did the money go? Mr. Bennett, as a result of the report of the chartered accountants, probably has a good idea.

BUILDING PROD. HOLDS ACTIVITY AT GOOD LEVEL

New Hamilton Plant Adds Floor Tile to Output

From Our Own Correspondent

MONTREAL.—Though the decline in construction activity has found some reflection in operations of Building Products Ltd., diversification of the company's activities has enabled it to offset any marked inroads into total sales volume and business has been fairly well maintained to date.

Two developments of particular interest have occurred this year. One is the completion and successful operation of the new Hamilton plant and the other is the resumption of manufacture of Insul-Board at the company's Portneuf mill; formerly this product was made at the Port Alfred mill of Canada Power and Paper.

To Make Floor Tile

The new Hamilton plant was brought into production in May with an output of premolded asphalt plank and molding, and has achieved encouraging results. By the end of the year it is planned to add a new line comprising an asphalt floor tile, which, as yet, has not been manufactured in Canada.

There has been a good market for this product in the United States, and requirements hitherto have been imported into Canada. The floor tile is used in offices and buildings and it is expected that a ready distribution will be established in Canada. Addition of this line will round out the original plan laid down for the plant. It was built with the purpose of manufacturing an expansion joint used in concrete highways, a surfacing for bridge plank and industrial floors, while the asphalt floor tile completes the schedule. Incidentally the extensive highway programme planned by the Government should open up a substantial market for products of this unit in Hamilton.

In the manufacture of Insul-Board, Building Products has indirectly benefitted by the closing of the Port Alfred mill of Canada Power and Paper, since it has resulted in increased plant activity at the Portneuf mill of Building Products, where the board is now manufactured.

To understand the situation it is

(Continued on page 2, col. 6)

Banks Must Soon Decide If Bonuses Shall Be Paid

Within the next few weeks Canadian chartered banks will have to decide the question as to whether or not bonus payments are to be made to shareholders for the present year.

Last year, between November 1 and the end of the year, $1,820,000 was paid out in bonuses by Canadian banks in addition to regular dividend payments amounting to approximately $17,000,000.

Interest currently centres around the coming announcement of the Imperial Bank regarding their November 1 dividend payment, which is normally due now, and with which for the past ten years a bonus of 1 per cent has been paid. In 1930 these together took $910,000,000 out of net profits, after Federal and other taxes, of $1,274,081. After writing $300,000 off bank premises and contributions to officers' pension and guarantee funds amounting to $42,500, a surplus was shown for the year of $21,581. This compared with a little over $99,000 for 1929.

Three Others Coming

Toward the end of October another three banks which have paid bonuses each year for the past ten years will also be announcing their decisions in regard to such action for the present year, namely, the Canadian Bank of Commerce, Bank of Montreal, and the Royal Bank of Canada.

Action of the Imperial Bank is therefore viewed as a weather vane which will probably give some indication as to which way the bonus wind is blowing in regard to all other institutions. Of the eight leading Canadian banks two, the Montreal and Royal, have been paying bonuses of 2 per cent annually; four, the Commerce, Dominion, Imperial and the Toronto have been paying 1 per cent; while the other two, the Nationale and the Nova Scotia, have not instituted the bonus dividend. All but the last two, which have in the past been paying regular annual dividends of 10 and 16 per cent respectively, are on a 12 per cent regular dividend basis, and quarterly payments by all banks so far this year, including those of the Dominion and Nova Scotia banks declared for payment October 1, have been at the regular rates.

The following table shows when the next dividend payments are due and the amounts payable:

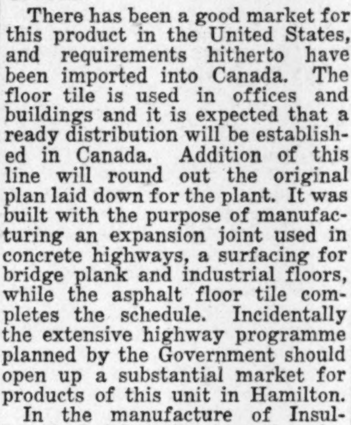
BANK DIVIDENDS AND BONUS PAYMENTS

	Reg. Div. %	Bonus %	Bonus Payable	Declared (about)	Regular Amount $	Bonus Amount $
Commerce	12	1	Dec. 1	Oct. 25	3,600,000	300,000
Dominion	12	1	Jan. 2	Dec. 1	840,000	70,000
Imperial	12	1	Nov. 1	Sept. 25	840,000	70,000
Montreal	12	2	Dec. 1	Oct. 25	4,320,000	720,000
Nationale	10	.	*Dec. 1	Oct. 20	700,000	......
Nova Scotia	16	.	*Oct. 1	Aug. 20	1,920,000	......
Royal	12	2	Dec. 1	Oct. 25	4,200,000	700,000
Toronto	12	1	Dec. 1	Oct. 25	720,000	60,000
					17,140,000	1,920,000

* Next regular dividend payable.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Sept. 22	37.7	33.3
Week of Sept. 15	41.5	37.8
Month of Sept., 1930	68.3	57.7
3 Bank Stocks		
Week of Sept. 22	219	216
Week of Sept. 15	222	219
Month of Sept., 1930	263	252
10 Pubic Utilities		
Week of Sept. 22	61	57
Week of Sept. 15	64	61
Month of Sept., 1930	96	86

MANY ERRORS IN ESTIMATE UNEMPLOYED

Published Figure of 530,000 Can Be Cut to 250,000

MANY ABSURDITIES

Believe Many Provinces Padded Figures in Hopes of Getting Higher Ottawa Grant

From Our Own Correspondent

OTTAWA. — Unemployment in Canada today, while greater than one year ago, is much less than the estimates which have been made public by the Labor department at Ottawa.

Latest reports received by Senator Robertson from the various provinces place the total at 379,721, but this is admittedly an over-estimate. A figure of 250,000 would be much nearer the mark.

This figure is arrived at by taking the latest reports received at Ottawa and correcting them in the light of subsequent information which has come to hand. These latest reports are summarized as follows:

Prince Edward Island, 1,500; Nova Scotia, 18,000; New Brunswick, 7,858; Quebec, 100,000; Ontario, 130,000; Manitoba, 41,939; Saskatchewan, 26,094; Alberta, 15,450; British Columbia, 38,880.

Purposely Padded

The figures for Nova Scotia and Quebec are purely estimates made by the local governments. These governments do not pretend that the figures are accurate and private information at Ottawa strongly indicates that they are much too high. It seems that many of the provinces have believed the amount of Federal unemployment money they would get would be determined by the degree of their unemployment. They took no chances, but placed the figure as high as possible. Their point of view, apparently, was to convince Ottawa of the maximum amount of unemployment, to place the figure at a point where it would just escape being ridiculous. The estimates for these two provinces, therefore, might be cut in two—59,000 instead of 118,000—without doing violence to existing facts.

The figure for Ontario also is very much exaggerated, although for a different reason. The Ontario estimate is the result of lists prepared by the municipalities. The impression got abroad, apparently, that everyone who registered would get a job. The result was that thousands of high school and university boys put their names on the lists, hoping to get work before school re-commenced, and to make a little pocket money. In addition, thousands of farmers' sons who usually stay at home and help their fathers, decided to try for a government job. The Ontario government, conscious of the inaccuracy of the estimate, has looked into the situation and has advised Ottawa that the number in real need of employment probably does not exceed 70,000. This is exactly 60,000 less than the official estimate.

Manitoba is Example

The Western provinces also have tended to exaggerate the extent of unemployment, although not to the same extent as the Eastern provinces. For example, the figure of 41,939 for Manitoba is obviously too high. This is 50 per cent more than have ever been employed in the industries of the province. The total is about evenly split between Winnipeg and the rest of the province. The figure for Winnipeg is probably accurate — 20,000 unemployed. But to say that there is an equal number without work in the rural area of the province is patently ridiculous. An examination of the figures for various towns and municipalities confirms this view. The Manitoba government states there are 1,100 unemployed at Chatfield. The entire population of Chatfield is only 1,979 and it is not possible there could be more than 600 workers. The little community of Piney, with a population of 1,190 is declared to have 800 unemployed.

By and large, a figure of 30,000 for Manitoba's unemployed is well within the mark. Much the same criticism, although to a lesser extent, may be applied to the estimates of the other three Western provinces.

The figures given in the estimate just quoted are being used by the Federal government in preparing the policy of relief. It is most unfortunate that more reliable statistics on unemployment are not available, but save by the appointment of enumerators, it seems impossible to get even an approximately accurate report. The country will not get a true picture of the situation until the 1931 census reports are issued.

Economic Investment Reduces Dividend Rate

Interim dividend of 87½ cents declared on the 39,925 $50 par value shares of Economic Investment Trust and payable October 1 for the half-year ending September 30 represents a reduction in the annual rate from $2.50 to $1.75 per share. Payment will be made to shareholders of record September 21.

Initial dividend of $1 per share was paid October 1, 1927, and semi-annually thereafter to October 1, 1929, when payment was increased to $1.25 The dividend has remained on this basis until the current reduction.

The Foreign Money Ring And the World Crisis

By J. B. MACLEAN

The present financial flurry is merely another incident in the progress of the International Money Ring.

The story of this super-banking system has been covered from time to time, particularly during the last ten years, in The Financial Post. In effect, it has been shown that a group of Austrian- German- Dutch- Greek-born financiers years ago settled in England, then the world's financial centre, among a people rich in character, in good records and great wealth. These foreigners proceeded to exploit and debauch that country—its commerce, its banking, its industries and its public men and public servants. When the war came, they were already in control of important British and American financial operations. They became the world's greatest profiteers. They were the chief influence in the background at the Peace Conferences and were responsible for the League of Nations and other developments. The League became their chief smoke-screen and propaganda body.

Cabinet ministers, diplomats and great bankers are their tools to carry out their political and economic policies. Under their inspiration Soviet and allied agitators operate among colleges and workers to distract attention from their world-wide operations and the sufferings resulting therefrom, and instead to direct attention to and blame it on the so called capitalistic system.

They can create crises or promote prosperity.

Put Britain Back on Gold Standard

They set nations to work, and when it suits them, by stopping work, they seize the accumulated savings in money, in valuables, in estates, that must be thrown over when the credits are withdrawn. They were responsible for the British gold standard, which put millions in their own pockets and brought British commerce and industry to present ruinous conditions.

It is interesting to refer at this time to the unparalleled business prosperity promised by the great British bankers like McKenna, by cabinet ministers and by Chancellors like Churchill, as sure to follow the gold restoration—a policy that at once placed Britain, its commerce, its industry, its workers, the Empire's whole life—at the mercy of a group of international financiers and business highwaymen.

The opposing views of sound independent bankers, like Holden; of great employers of labor were brushed aside by the politicians. England was to become more than ever the world's great banker. Commerce and industries and workers could emigrate if they were not satisfied.

The part that this restoration played in the era of wild lending of cheap money for buying valueless securities put out by the bankers at high prices has yet to be written, including the $700,000,000 taken out of Canada in the recent crooked stock mining operations in which the brokers, now in our penitentiaries, were mere stupid clerks doing the bidding of big financial bootleggers in the background. How they manipulated and took unprecedented rake-offs from great international loans since then, is well known to our readers. Their most recent proposal of a billion dollar loan to hopeless China, in which Canada and the United States were to play in backing the bonds, a very prominent part—with the sale of wheat held out as a sop—was more than the sane citizens of these nations could stand.

Britain's Action First Step to Recovery

The killings these financiers made in 1929 and since would seem to have completed the first step in their great programme for the control of the world's money. It is not improbable that the abandonment by Britain of the gold standard may be the final act in the present movement and that business may steady and ere long begin to improve.

Having the money, what is their next move? Undoubtedly the control of the basic industries. Indications of this are to be seen on every side. It was put forward at the World's Economic Conference at Geneva in 1927 by groups from Germany, France and England working in harmony. The Americans refused to be a party, and they, with the Canadians and Australians—who favored a British Empire held together by preferences—and the delegates from the International Chamber of Commerce were strongly attacked by the cartelists. A cartel is a plausible word which means a combine of the worst and most offensive type. The excellent combine laws in the United States under which the Federal Trade Board has operated effectively have become a great moral force in that country for the protection of all classes. But constant propaganda is being carried on by the cartelists to destroy it with weakening amendments.

Hit Canadian Banks Through Wheat Pools

So far, Canada's excellent banking system and the high character of its financial leaders have stood in the way of direct international interference or control. Our great chartered banks operate independently, but are under parliamentary and government control; and in emergencies our governments have come to their assistance—in the crop moving season, for example. But our banks have suffered indirect attacks through large and unwise loans. Chief among these were the advances to the Wheat Pools—away in the background of which were again the international bankers. Our bankers and political leaders had not the courage to stand up against the agitators inspired by foreign influences. But they should not be caught again.

The Canadian banking system has a tendency to, in fact it compels, a high sense of responsibilities of trusteeship. The branch system brings the bankers close to depositors and borrowers across the Dominion; even to the remote country crossroads where their branches may be found. Moreover, the people take a pride in their banks, as evidenced by the action of leading French-Canadians when one of their provincial banks found itself in financial difficulties through a large, unwise, but public-spirited loan. A group of Quebec business men staked their fortunes to meet the calls of depositors. The bank was put on its feet and is now included in one of the most thriving banks in the country.

When the Home Bank, in Toronto, got in trouble, due to incompetence of management inside and crookedness outside, the late Right Rev. Bishop Fallon, of the London Diocese, offered to come to its rescue with $2,000,000 and promised similar amounts from certain other important Catholic dioceses, but it was too late.

But news is not lacking of developments toward the inclusion of some Canadian industries in the international bankers' cartel. In fact, the break in prices has made it easy for progress in that direction, and if some of the stories are true—and of this we have no doubt—some operations going on at present for control of Canadian industries would not be permitted in any country where the laws are respected by those in authority, the higher up government officials who are supposed to assure its citizens of at least a measure of fair play.

What are we going to do to further safeguard and strengthen our great banking system?

Dominion Tar Finishes Toronto Phenol Plant

From Our Own Correspondent

MONTREAL.—Dominion Tar & Chemical Co. has completed construction of its new phenol plant in Toronto, equipment is being tested and it is expected that operations will begin within the next week. The new plant is an important addition to the company's various units, and its output will represent the first production of phenol on a commercial scale in Canada.

One of the primary uses of phenol is in the manufacture of bakelite; the chemical is largely used in making resins to form the base of that commodity. At present phenol is imported into Canada, and since output of Dominion Tar's new plant will be protected to some extent by a tariff, a ready market is anticipated in the bakelite industry in Canada.

In its creosoting division, which comprises the major part of Dominion Tar's activities, a recent order for 2,600,000 board feet of creosoted lumber has been executed. The lumber, which will be used in construction of port sheds at Saint John Harbor, constituted a large order and provided considerable activity for the Delson, Que. and Truro, and Newcastle, N. S., plants of the company.

One of the main sources of Dominion Tar's revenue is derived from the sale of ties to the railways. Railroads have curtailed construction, a factor which has likely found some reflection in earnings of Dominion Tar this year. It is reported, however, that earnings to date have been satisfactory.

INVESTORS RATIFY C. & T. BUILDING PLAN

Will Raise Funds by Sale of Preferred Stock in New Company

Shareholders of Commerce & Transportation Building Ltd. and debenture holders of Stinson's Buildings & Investment Co. to the number of 200 met on September 22 in Toronto and unanimously approved a plan of reorganization through which it may be possible to retain their equity in Commerce & Transportation building. In order to raise the necessary funds, investors in these companies are being asked to subscribe to stock in a new company which would take title to the building.

HYDRO ABIDES BY CONTRACT WITH ABITIBI

Will Stick By Bargain Though Full Market Lacking

TO PAY $13 RATE

Selling at $22 Provincial Body Can Draw Even After Selling 60,000 Horsepower

Ontario Power Service Corp., subsidiary of Abitibi Power, which will complete according to schedule its $23,000,000 electrical development at Abitibi canyon on October 1, 1932, may not have an immediate outlet for the total of 275,000 horsepower which will then be available. Abitibi Power will take 175,000 horse power mainly to convert water into steam in the electrical furnaces at Iroquois Falls, but much anxiety has been felt of late by investment bankers who heard that negotiations had been reopened with the object of lessening the amount of power which the Ontario Hydro-Electric Power Commission will be obliged to take from the new development. The Financial Post is informed, however, by men high up in the Ontario Government that there need be no fear that Ontario Hydro-Electric will try to recede from its agreement in any degree.

Ontario Hydro has bought 85,000 h.p., rising in a few years to 100,000 h.p. The price has never been made public but The Financial Post is in a position to say that it is $13 per h.p.

When the agreement was made there was considerable optimism in Government and power circles that development of mining enterprises on the Northern shore of Georgian Bay and Lake Huron, and especially the great enterprise of International Nickel, would speedily enable Ontario Hydro-Electric Power Commission to find a market for the new power. The depression, the unprecedented fall in the price of copper and other base metals, and the consequent drying-up to a large extent of efforts to find new properties have created a situation where there is little need for the moment at Sudbury or along the North shore for power more than is already available.

Lack of Demand Foreseen

International Nickel, in spite of low water in the Spanish River where it has two of its power enterprises, could get along with the 57,000 horsepower already available. However, it is looking to the future and will be ready to take the 16,000 horsepower which it has contracted for from Ontario Hydro-Electric Power Commission as soon as it is available. That will leave 69,000 horsepower still for Ontario Hydro-Electric Power Commission to place, and for the moment there is but little demand.

This lack of demand has been foreseen by the Commission. The

(Continued on page 2, col. 6)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Abitibi P. & P. . 25
Anglo-Can. Pulp 33
Algoma Corp. . . 10
Brazilian Tr. . . 8
B. C. Pulp & P. 23
Brompton Pulp . 28
Bathurst Pr. . . 30
Beauharnois . . 4
B. C. Power . . . 4
Bell Tel. 9
Building Pr. . 1, 23
Com. & T. Bldg. 1, 9
Can. Convert. . 3, 9
Can. Car & F. . . 9
C. P. R. 4
Can. Nor. Pr. . . 4
Canada Dry . . . 5
Can. P'board 32, 36
Can. Bread . . . 3
Can. Int. Inv. . . 3
Can. Int. Pap. . 5
Can. Power . . 8
Can. Veg. Parch. 33
Corr. P. Box . . 30
Can. Paper . . . 33
Can. Cellulose . 33
Can. Cement . . 10
Cons. Oka Sand . 10
Cons. Paper . . 27
Can. Int. Pap. . 34
Can. Hydro . . 8, 35
Don Valley P. . . 23
Det. & Can. T. . 9
Dryden Paper . . 32
Dom. Motors . . 9
Dom. Tar 1
Donnacona . . . 30
Dom. Bridge . . 9
Dom. Steel . 4, 9, 10
Dom. Salt . . . 11
Durant Motors . 9
E. B. Eddy . . . 32
East. Dairies . . 8
Economic I. T. . 1
Firstbrook . . . 23
Fraser Cos. . . . 30
Gypsum 19
Gen. Tire 9
Gt. W. Timber . 30
Gt. Lakes P. . . 23
Gatineau 35
Ham. Bridge . . 9
Howard Smith . 33
Hinde & Dauch . 32
Irving Oil . . . 9
Int. P. & P. . . 34
Interlake Tis. 33, 36
Imperial Oil . . . 15
Indust. Mtge. . . 13
Int. Power . . . 8
Ind. Acceptance 8
Lambton Loan . 13
L. St. John P. . 28
Maritime Tel. . . 4
Montreal Pwr. . 4, 8
McColl-Front. . 9
Minn. & Ont. . . 23
Mitchell, R. . . . 10
MacLaren Pr. . 30
Mersey Paper . . 28
Mid. & P. Grain 8
N. S. Lt. & Pr. 4
New Eng. Pr. . . 35
N. B. Int. Pap. . 35
Ont. Power . . . 25
Price Bros. . 30, 36
Prov. Paper . . 9
Power Corp. . . . 4
Powell River . . 28
Pacific Mills . . 35
Quebec Power . 4
Quinte & T. . . . 32
Quebec Pulp . . 30
Rolland Paper . 36
Restigouche . . . 30
Sidney Roof. . . 30
Silverwood's . . 15
St. Julian Co. . 5
Stanford's . . . 10
Spruce Falls . . 32
St. Law. Corp. . 28
St. Law. Paper . 28
St. Regis 33
Steel of Can. . . 9
So. Can. Pr. . . 4
Sarnia Bridge . . 13
Tooke Bros. . . . 5
Un. Amuse. . . . 8
Un. Nat. Gas . . 15
W'minster P. 35, 36
W'peg. Elec. . . 4
W. Quebec Pap. . 30
Western Grain . 5

MINES AND OILS

Can. Homestake 20
Calgary & Ed. . 20
Kirkland Lake . 20
Int. Nickel . . . 20
Moss Gold 20
Mayland Oil . . . 20
Noranda 20
O'Brien-Cad. . . 20

QUOTATIONS

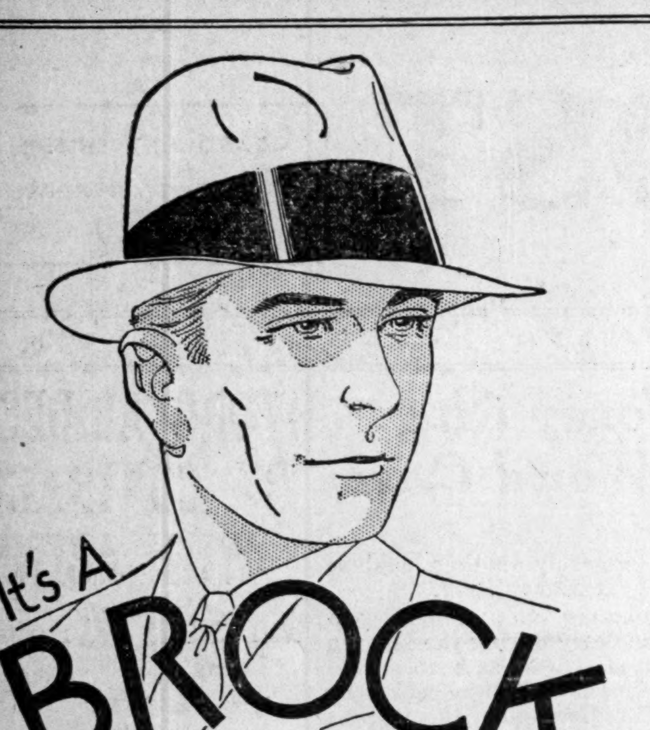
Bonds 18
Grain 18
Mines 19
Stocks 18

REGULAR DEPARTMENTS

Answers to Enquiries 9
Business 7
Banking 17
Editorial 6
Insurance 17
Mining 20
Utilities, Transportation 4

SPECIAL FEATURES

Sarnia Supplement 11-15
Thirteenth Annual Pulp & Paper Supplement 21-36



It's A BROCK-
that's all you need to know about a HAT!

Economical Prices . . . Smartest Styling . . . Superb Workmanship
also ST. LAWRENCE and HORTON Hats at lower prices

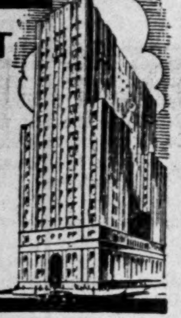
HATS by WOLTHAUSEN, BROCKVILLE
Hatter to gentlemen for over half a century 38

REGENT KNIT
OUTER and Sports Wear

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

Canada's Wool Supplies

Canada's total wool clip is about 11,000,000 pounds annually, while Canadian mills use at least twice as much this every year and Canadian consumption of manufactured woollens equals about four times the clip.



4%
INTEREST
avings deposited
ith the Canada
ermanent earn
% per annum,
ompounded half-
early.
source of added
ncome.
FOUNDED 1855

CANADA PERMANENT
Mortgage Corporation
320 Bay Street, Toronto
Assets exceed $69,000,000

NO TARIFF BOARD IS YET ORGANIZED; PRICE MENTIONED

But on Hill Word is No Thought Given Choices

From Our Own Correspondent

OTTAWA.—The capital is interested in a rumor that Hon. W. H. Price, attorney-general of Ontario, and former provincial treasurer of that province, is being considered by Rt. Hon. R. B. Bennett for the chairmanship of the tariff board.

Col. Price is known to have given lifelong service to the Conservative cause. He is a Toronto lawyer and an active party organizer.

On the other hand, careful enquiries on the Hill bring the information that Premier Bennett has taken no steps to get the Commission into action. The personnel of the body, the most difficult task of all, has not received any consideration at all, it is said.

It has been generally believed that R. W. Breadner, Commissioner of Customs and Deputy Minister of National Revenue, would be the chairman of the Commission, but this is denied in circles of highest authority. Mr. Breadner is regarded as too valuable where he is, and will not be disturbed.

This being the case, it is not on the cards that the Commission will be organized much before November, or even later, and can scarcely get down to serious work before the next session of Parliament begins.

Hodgson Bros. & Co. Limited
Formerly Hodgson Bros. & Dunton Limited
INVESTMENT SECURITIES
240 St. James St., Montreal

WHEN REMITTING
SEND
CANADIAN NATIONAL EXPRESS
MONEY ORDERS

"THE WELL-DRESSED MAN WEARS A HAT"

Birkdale Hats
Top Fall Fashion
Individually Boxed
$6

THE new arrivals in the Birkdale hat selection will appeal to men who appreciate the combination of style and value in a hat.

The felt is smooth and pliant . . . the colors include various shades of grey as well as fawn and brown.

Main Floor—Queen Street

THE T. EATON CO LIMITED
TORONTO, CANADA

DOLLAR DISCOUNT TENDS TO ASSIST CANADA WHEAT

But Situation Highly Speculative Until More Clarified

From Our Own Correspondent

WINNIPEG.—Changes in grain prices this week have reflected conditions in the international exchange market more than conditions relating to actual wheat. Until the exchange situation is clarified transactions in wheat are really highly adventurous speculations in exchange, and particularly in the Canadian dollar in relation to the United States dollar.

The altered value of the British pound is of less immediate importance, for the first effect of the change was to advance sterling prices of wheat in Liverpool to an approximately compensating effect, leaving gold prices about as they had been. Exporters with cargoes afloat, or with open commitments, if they had not sold or hedged their exchange were subject to loss, as sales are ordinarily based on payment in sterling exchange against shipping documents. The rise in British domestic prices consequent on the changed basis for the pound may have a tendency to restrict consumption and imports to some small extent, and the resistance to advancing prices would tend to force gold prices for wheat somewhat lower. The risks and difficulties of international trade have been considerably increased, with every transaction in wheat complicated by a problem in exchange.

Wider Margin Seen

The added difficulty of doing business is likely to be represented by some wider margin between producers and consumers prices. It is doubtful if this will be reflected in the producers prices, which under recently prevailing conditions have been driven as low as possible. Certainly to a level which in the United States keeps great quantities of wheat on the farms where it is grown, to be used for feed, instead of being delivered to market channels.

The spread between United States prices and Canadian wheat prices has nominally widened in recent days, but it has not widened to the full extent of the discount on the Canadian dollar, and is actually effectively narrower than a few weeks ago. Such conditions, if not altered, will make for export of Canadian as against United States wheat. Remarkably wide spreads between the top and the lower grades of Canadian wheat indicates a demand from the high tariff European countries for Canadian wheat for mixing purposes, but they are willing to pay the high duty only on the highest quality wheat.

Damage in Europe

Recent reports confirm extensive harvest damage to European wheat, and also the fact that much of this year's production is light in weight and inferior in quality. Doubts as to Russian production this year continue to grow. Practical exhaustion of domestic stocks in European importing countries before the beginning of the new crop season, and comparatively poor production of both rye and of root crops are further factors that would be bullish except for the heavy supplies available in North America, and the troubled state of international trade.

Deliveries Slow

New crop in Western Canada continues to grade high, but average grading is likely to be reduced as the season advances, farmers are still storing considerable quantities of grain on the farm, and deliveries have been further slowed up by wet weather.

CANADA DEBTOR COUNTRY SO DOLLAR DEPRECIATES

(Continued from page 1)

situation and ship gold out of the country in exchange for the more valuable U. S. dollars.

Effect on Business

As far as business generally is concerned the adverse exchange rate will begin to be of importance only if it continues for any length of time at this level. For the time being, according to merchants and business men interviewed by The Financial Post, importers generally have been marking time as much as possible, although exporters conversely have been taking advantage of it to a small degree.

From a national point of view many believe that the time is opportune for Prime Minister Bennett to make a frank statement of Canada's position toward the end of bringing about a realization of the very real need of economy in every phase of national, provincial and municipal life if we are to continue to maintain our international relations on a stable basis.

Rainy Weather Delays Harvesting

From Our Own Correspondent

REGINA, SASK.—Nearly half the wheat is threshed according to telegraphic reports received over the week-end by the statistics branch of the Department of Agriculture. The weather during the past week has been mostly cool and unsettled with fairly heavy rains reported in many districts in the north and lighter showers in the southern districts which interfered with threshing operation. In many places several good drying days will be required before threshing can be resumed. Only a small amount of coarse grains has been threshed although it is difficult to make an estimate on account of the unusually large acreage which will not be threshed but used as green feed.

The crop has not suffered any injury during the past two weeks except that which may result from the wet weather. Previous to the rainy weather most of the wheat was grading one or two northern. In the north the potato crop is generally very good but in the dry areas it ranges from fair to poor. Livestock are in good condition and pastures in the north are generally very good but are poor in some of the drier parts of the south. The feed situation, however, has improved on the whole. Very little fall plowing has been done even in those districts where this practice is generally followed.

Exchange Drop Will Aid Paper and Flour Plants

Discount of Canadian Dollar in American Funds Gives Some Companies Advantage Over United States Competitors

Security exchanges the world over felt severely for a few days the impact of the announcement by the British Government on September 20 that the gold standard was being suspended. Although serious stock and bond liquidation on international markets through the previous week had aroused great anxiety, most investors and traders were caught unprepared by an announcement whose full significance they have since been trying to digest.

May Aid Newsprint Companies

Though it is true that first movement of unrestricted trading on Canadian stock exchanges in the strong stocks which were opened to the free play of the market has been downward, strong potentialities in the situation are recognized. Many traders are waiting to see how far the depreciation in the British and Canadian currencies go before committing themselves. The fact that the Canadian dollar has been below 90 and the British pound down as low as $3.75 even though there was considerable recovery in the pound later, has turned many executives of companies and many brokers back to the study of what happened when the British pound, about ten years ago, went down below $3.50 and the Canadian dollar fluctuated in the 80's.

There was a feeling that depreciation of the Canadian dollar as compared with the United States dollar would tend to throw newsprint contracts from United States mills still operating to the cheaper Canadian mills and possibly show a somewhat better price in Canadian dollars for paper of Canadian companies than they are now receiving because of the greater value for exchange purposes of the United States dollar. This would have an ameliorating effect on the difficult situation now obtaining in the industry.

There was a feeling that oil companies would be relieved from the strain of meeting competition from "distress" gasoline from Pennsylvania and although crude oil and railway rates on crude from the United States to Canada would have to be paid for in United States funds this advantage would still obtain.

Page Hersey Is Affected

Such a company as Page Hersey might find that depreciation of the British pound would cause British manufacturers to compete at lower prices for a time in markets of the world but executives believe that British bankers and statesmen will be careful to limit the inflation as much as possible because they will want to restore as soon as possible a stable pound in order to keep the position of Great Britain in international financial transactions as clear as possible. Advancing costs under inflation have a tendency to overtake advantages secured through depreciation.

There is concern over the position of the textile company stocks as a depreciated pound might make it easier for British manufacturers to sell to Canada. However, as all wool and cotton is bought by Great Britain from other countries food costs may advance, and textile men believe that with the help of dumping taxes already provided for the change would not spell disaster unless the pound were to follow the franc and lose 75 per cent of its value in exchange with the dollar.

Encourage Tourists

Many American exporters to Canada are concerned about the possibility of Canada turning to England for coal, steel and many types of goods hitherto obtained from the United States. It is understood that already Canadian representatives of large mercantile establishments in Canada have made large purchases of British goods at reduced valuations of the pound and American buyers have done the same thing. With a dollar worth more money it is thought that American tourists will buy more in Canada but added protection is given against all products originating in the United States and France and other companies with currencies at par by the depreciation in Canada.

Exporters like Page Hersey and Massey Harris expect to find the export situation unsettled for a time while British exporters take every advantage they can of the situation created by the drop in the pound. As these things always equalize themselves in the end no concern except for the immediate future is expressed. Massey Harris only exports about $700,000 to $1,000,000 to the British Isles and it could, if necessary, switch such exports from the Canadian plants to the French or German.

Canadian flour milling companies expect that the depreciation in the British pound will temporarily give the British miller an advantage so long as present stocks of wheat last and that the fall in the Canadian dollar, if it continues permanently, will give the Canadian miller an advantage over the United States miller in seeking foreign markets and particularly the British market. On the whole it is rather thought that the Canadian miller will get an "edge" over his competitors if the present situation persists.

So far as British stocks of wheat are concerned these cannot be maintained from home-grown wheat and therefore any advantage to the home miller from the falling pound is not expected to last long. The United States miller has been sharing the British market with the Canadian miller so far as imports are concerned but he has maintained his position by dint of milling Canadian wheat in bond. During the last year because of the cheapness of Canadian wheat Buffalo mills have had the greatest milling-in-bond year in their history. The mere fact that the Canadian dollar is cheaper than the American dollar will only accentuate the dependence of these mills on Canadian wheat. The American dollar will buy more Canadian wheat than the Canadian dollar because of the difference in exchange and that advantage may help the United States miller to make up for the disadvantage in selling at the other end. However, the Canadian miller will still have some advantage in seeking foreign business unless the Canadian wheat comes up in price at Winnipeg as compared with Chicago to take up the difference in exchange. Some tendency in that direction has already been observed and it will depend on how far the movement goes whether the Canadian miller will retain his advantage or not. In the meantime an advantage will be gained from stocks already held.

NATION'S BUSINESS

(Continued from page 1)

off without leadership from them than with leadership of the type they have given in recent years, in such moves as their sacrifice of British industry in the artificial restoration of the pound's value; as their bolstering of stock values in 1927 to 1929; as their freezing up of the world's working capital in countries that were not so much in need of short term money as of capital for constructive, long term investments; as their free lending on the other hand to extravagant governments. A realization of their past mistakes probably makes the world's banking leaders more chary of either action or advice now. Probably the thought that is now dominant in the minds of these men today is the one that they are not expressing; the feeling that after all the best thing they can do is to let deflation take its course and then to do what they can do to rebuild international intercourse in industry and finance.

So we find Britain and European bankers doing little but attempt to promote such deflation of currencies and debts at home that the dominant financial nation, the United States, is to be forced to lose billions of the capital investments it has made abroad. And we find United States bankers concerning themselves chiefly with their home problem of deflating governmental expenses and industrial wages. The ultimate objective is pretty much the same. When one recognizes that the biggest bankers seem determined now to let the cycle work itself out one is better able to appreciate why major constructive moves of a sensational nature are lacking.

* * *

THE ultimate good to the greatest number will come from equilibrium and it is not of consequence what is the dollar value of any commodity, investment or income when such equilibrium is reached, for when it is reached relative values will be, generally speaking, such as to make for the largest measure of well distributed prosperity. Then the world will be in a position to enjoy a protracted period of prosperity.

The gravest danger that is hinted at and that many people fear is that the capitalistic system may collapse in the process. But it was nearer collapse in the inflation period than it is today. Talk of collapse now is panic talk. Our economic system may undoubtedly go through some modification but it has in the past been modified in many ways and always for the general good. Utopia may not await us at the end of the road we are now travelling but we must not assume either that the end of the road is Ruin.

* * *

IN THE meantime, the ordinary business man and the individual government, mere cogs in the great world economic machine, can do the most good for themselves and for the world at large by adopting as their standards increased efficiency, greater economy and elimination of waste. Wise men learn more in times like these than in easy times. As they build now they will profit in the times of stability that are undoubtedly coming, even though these times may not be just around the corner.

One point should not be forgotten. The actual decline in the volume of business of most concerns, the actual decline in the incomes of most people, is comparatively slight. Canada as a whole and most of her citizens are still more prosperous than newspaper headlines might suggest. Many companies, many people, have seen their business decline all it will decline; from now on they will witness improved conditions through better sales or lower costs or both. Other companies, other people have more problems ahead. But the business machine is not headed for the rocks.

Consol. Industries Makes Laundry Appliances

New Manufacturing and Sales Division to Make and Distribute Conlon Products — Has Aggressive Plans

Announcement that Consolidated Industries Products has established a new manufacturing and sales division to specialize in the home laundry appliances field comes from D. H. Pollitt, president and managing director. Planned production will cause the circulation in Canada within the next twelve months of about $750,000 as a direct result of operations of the new division, it is estimated.

Consolidated Industries has secured the patent, trade-mark, manufacturing and sales rights, as well as the right to all future developments, for the British Empire of the home laundry appliances of the Conlon Corp. of Chicago. The new products will be manufactured at the company's plant in Toronto. The new division will be entirely Canadian, owned and operated by Consolidated Industries Products, using Canadian sources of raw material wherever possible and employing only Canadian workmen.

The new laundry appliances have been perfected by Conlon Corp., of Chicago, under the presidency of Walter J. Conlon, during the last 18 years. They have been merchandised in the United States with conspicuous success. The new products will be merchandised under the trade name of "Consolidated."

Consolidated Industries is the parent company. Among the associated companies are De Forest Crosley, manufacturers of the De Forest Crosley radio, Hammond Co., of Canada, manufacturers of the Hammond synchronous electric clock, Consolidated Industries Products, manufacturers of the Norge electric refrigerator and the Consolidated electric washers, ironers, and accessory equipment. Another division of this group of industries is Universal Acceptance Corp., the finance company for all subsidiaries of the parent company.

BUILDING PROD. HOLDS ACTIVITY AT GOOD LEVEL

(Continued from page 9)

necessary to go back a few years. Building Products originally made Insul-Board at its Portneuf plant in Quebec. When Canada Power and Paper decided to manufacture a similar product, an agreement was reached with a view to eliminating duplication of production. Accordingly, it was decided that Insul-Board should be made at the Port Alfred mill of Canada Power and Paper and Building Products would cease manufacturing, confining its activities to selling the material.

Formed New Company

With this end in view, a company known as National Forest Products Ltd., was formed in 1928 jointly controlled by Canada Power and Paper and Building Products. The purpose was to develop Insul-Board and other lines of building materials from wood products, the new lines being marketed by Building Products Ltd.

Early this year, however, it was found necessary to close the Port Alfred mill, with the result that manufacturing activities in Insul-Board were transferred back to the Portneuf mill of Building Products with a subsequent speeding up in operations at that point. What arrangements will be made when and if Port Alfred reopens remains to be seen. As yet there is no official information on this point.

Diversified Activities

The Hamilton and Portneuf plants, however, are only a part of Building Products' activities. At other plants in Hamilton, and Montreal, roofing materials are made while at Pont Rouge is located one of the company's paper mills. The other is at Portneuf, which in addition to manufacturing Insul-Board, also makes fibre shipping cases from the raw material to the finished case. Sales of these shipping cases have shown some decline this year but, it is stated, volume is considered quite satisfactory.

No figures regarding earnings this year have been published but payment of dividends to date would indicate that profits have been relatively well maintained.

HYDRO ABIDES BY CONTRACT WITH ABITIBI

(Continued from page 15)

transmission lines which it has erected to Sudbury from Hunta on the Canadian National line, where the Ontario Power Service Corp. will deliver the power along its own transmission line, are strung with duplicate circuits, each capable of transmitting 30,000 horsepower. By the use of condensers and overloads these could be stepped up to 85,000 horsepower possibly, but further demand would require the building of another line.

May Change in Year

"November, 1932, is too far ahead to worry over," said a cabinet minister to The Financial Post. "The situation may be entirely changed by then. In any case this power line running 189 miles South from Hunta to Sudbury passes the rich mines of the Porcupine region, goes near the developing area in the Matachewan and makes available a large fund of energy for possible developments all along the way. It is for the general advantage of Ontario just as the T. & N. O. was when it was built, and even if the full load is not placed at once, it will be of great advantage to the province to have a surplus available at need."

Ontario Power Service Corp. has finished its transmission line to Hunta 70 miles south of the Abitibi canyon development and the Commission's line to Sudbury is also ready to take power even now. The latter line cost more than $2,000,000. Power can be sent through now from the Island Falls development of Abitibi.

An effort may be made to sell back to Abitibi Power something like 30,000 horse power at cost in the opinion of some if in a year the Commission's 85,000 horse power is not placed. Success in this plan would depend on Abitibi having a place for the power. Both sides state that no negotiations to this end have yet occurred. At $13 a horsepower the commission would pay Ontario Power Service Corp. $1,105,000 for 85,000 horsepower and the commission would receive $325,000 from International Nickel Co. for 16,000 horsepower. The placing of 60,000 of the 85,000 horsepower which the commission is arranging to carry would prevent it suffering any loss in all probability.

B. C. Coal Output Gains

The coal output in British Columbia for the month of July increased by 2,279 tons over July, 1930, according to a report of the Department of Mines. The largest increase, of 10,000 tons, was in the Kootenay district where 59,005 tons were mined.

World-wide

With more than 650 Branches in Canada and Newfoundland, with offices in the financial centres of Great Britain, the United States, France and Mexico, and with bank correspondents everywhere, the Bank of Montreal is world-wide in its scope and operations.

BANK OF MONTREAL
Established 1817
TOTAL ASSETS IN EXCESS OF $750,000,000

Men's New Fall Gloves

Smartly gloved hands for the well-dressed man. The best leathers and workmanship English and French makers have to offer. All sizes—all new—all up-to-the-minute in style.

Handsewn, washable chamois gloves in natural color with black stitching. $3.50 to $5.

Buckskin, gloves in grey or putty shades. Handsewn with dome fastener. $5.

French Grey Suede Gloves, in handsewn or seam style. One dome fastener. $3.50.

Driving Glove of chamois with leather palm. Strongly made. One dome fastener. $4.50.

Washable Lambskin Glove, in pine shade. Handsewn with one dome fastener. $5.

Store for Men—Street Floor.

THE ROBERT SIMPSON COMPANY LIMITED

JOHN COTTON'S
TOBACCOS
"Scotland's Best"

"Scotland's Best" is the world's best in tobaccos.

That's why just as many experienced smokers in Canada revel in Scotland's smoke!

JOHN COTTON'S brings you comfort, peace, relief from worry, coming as it does from an older and more placid world.

Mild - Medium - Strong
1 Ounce Tin - 25c
2 Ounce Tin - 50c
4 Ounce Tin - $1.00

JOHN COTTON'S
Export Virginia
Cigarettes
In Boxes of Twenty-five and Fifty

Sole Agents for Canada
CLARK, FRUITIER & CO.
LIMITED
1016 Beaver Hall Hill
MONTREAL

In New York

This Bank has its own office at 49 Wall St., and our Canadian clients will be welcomed there and afforded all possible information and assistance.

THE BANK OF NOVA SCOTIA
Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets over $265,000,000

IAC
A NATIONAL SERVICE BY A CANADIAN COMPANY

Deferred Payment Plan
Aids
Refrigeration Sales

During the past year "Budget" purchases of electric refrigerators have increased from 60 to 77 percent, hand in hand with a marked increase in total sales.

Attractive but sound instalment terms both to the seller and buyer have made it possible to increase sales and to penetrate an otherwise inaccessible market.

Write for complete details of this service and how it may be adapted to either commercial or domestic needs.

INDUSTRIAL
ACCEPTANCE
CORPORATION
LIMITED
Offices in
Halifax, Saint John, Quebec, Montreal, Ottawa, Toronto, Hamilton, Windsor, Winnipeg, Regina, Calgary, Edmonton, Vancouver
A National Service By a Canadian Company

CANADA BREAD DEFERS DIVID'D UNTIL OCTOBER

Awaits Full Results of Quarter Before Making Decision

MAY YET PAY IT

Concentration of Operations and Distribution Policies Reduce Costs Materially

Directors of Canada Bread Co. will decide at the October meeting whether or not it will be advisable to declare the dividend on $2,500,000 7 per cent second preference Class "B" shares for the quarter ending September 30, 1931. At a meeting on September 18 directors did not declare the dividend to be paid at the usual date on October 1 as it was desired to have the results of operations for the whole quarter before deciding this important question. The delay is not a reflection of any change in the operating conditions of the company but is taken because the company is keeping its dividend-paying policy in strict conformity with actual current earnings available.

If a dividend is declared at the October meeting, it will be payable on November 1. In the annual report of the company, which appeared on August 18, the president, Henry F. Gooderham, K.C., stated that the company is still following a policy of retrenchment but "is only now reaping the full benefit of economies effected in prior months." As the total costs for the year ending June 30, 1931, were 15 per cent less than for the preceding fiscal period, the company evidently has placed expenditures on a basis which is now comparatively favorable.

Bread Sales Fall

The Financial Post is informed that, thoughout its whole field, a policy has been followed of concentrating operations on the most economical lines in the factories best adapted for work on a large scale and redistribution of manufacturing operations among the various plants so as to get the maximum efficiency possible at the lowest cost. It is getting its flour at $4 a barrel as compared with $6.40 a barrel when bread was selling at 11 cents a loaf, and even at the present retail prices of 8 and 10 cents a loaf it has managed to get itself in a position where executives regarded the future without anxiety.

Executives, of course, do not blink the fact that consumption of bread has fallen to a considerable extent on account of the unemployment situation. The summer is also always a slacker time than at any other period of the year because of the number of customers who go to their summer places and who therefore for a time do not buy from the company. Though bread is a necessity it is noted that purchases are noticeably lower during a period when unemployment is larger than usual.

Dividend Hardly Earned

After a depreciation reserve of $219,974, income tax of $20,000 and a bad debts reserve of $44,000 the company in the year ending June 30, 1931, had $205,175 net profit. This enabled it to pay the first preferred dividends of $87,500 with ease, and that dividend is regarded as quite safe during the coming year. However, there was a deficit of $182,325 after paying $175,000 on "B" preferred dividends and $125,000 on common stock. The common stock dividends have been dropped, but on the same basis there would be a deficit of only $7,325 for 1931-32 if dividends were continued on the same basis throughout the year. In other words, it appears that earnings on recent levels have been barely sufficient to keep up this dividend. Directors at each quarterly dividend meeting will therefore scan returns with great care, and the investment world will watch all official reports in order to judge with reference to this stock how the company's revenues are going.

So far the price of flour paid by the company, the smooth way in which present operations are going ahead and the economies resulting from concentration of operations and careful study of distribution methods, lead to a belief that the stock has more than an even chance in the coming year of paying well. The feeling among executives is that if there is an interruption in the flow of dividends it would be more in deference to the general financial situation than to the operating situation. Executives are optimistic but directors prefer to be safe rather than sorry in dividend disbursements.

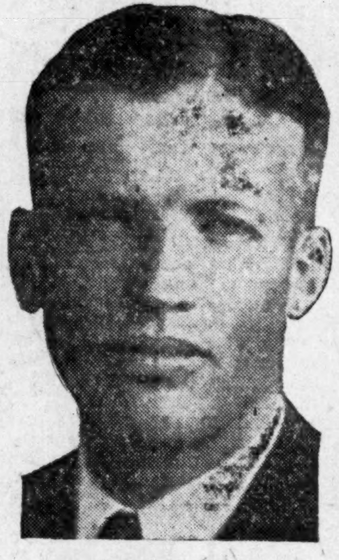
Entente is Established

The entente among baking companies has persisted throughout the year. Competition is keen but companies are refusing to take a loss on business in order to get volume. The panic which obtained throughout the last year, especially the first part of it, is noticeably absent. The public apparently feels that every effort has been made by companies to give a square deal to the consumer.

At first sight it would be difficult for the company to make money on bread selling at 8 and 10 cents a loaf as in Toronto, When bread sold at $6.40 a barrel bread sold generally in the city at 11 cents a loaf. The company is now selling its cheaper, plain loaf at 8 cents a loaf and its quality loaf at 10 cents, the demand being evenly distributed between the two loaves. One barrel of flour makes about 190 loaves and therefore there has to be a reduction of $1.90 a barrel in the price of flour to make a difference of one cent in a loaf of bread. The reduction of $2.40 a barrel in the price of flour therefore would justify a reduction of 1¼ cents a loaf in bread but half the bread sold by the company sells 3 cents a loaf cheaper and the quality loaf one cent a loaf cheaper. One result therefore of the decrease noted in the price of the loaf has had to be the abandonment of the dividend on the common stock even in spite of cutting costs by 15 per cent.

Now Manage Western Grain Company

A. CUMBERLAND REID.



CARL I. HALL.

Following the resignation of D. C. MacLachlan, formerly general manager of Western Grain Company, who has joined the Maple Leaf Milling Company as general manager, A. Cumberland Reid has been appointed general manager and Carl I. Hall, assistant general manager of Western Grain.

Rail Amalgamation Strongly Opposed Cabinet Discovers

Railway Commission Will Include Several Experts

PROGRESS IS MADE

Pending Final Action, Railways Have Already Reduced Competitive Expenses

From Our Own Correspondent

OTTAWA.—There is much in the present railway situation, from a political point of view, that resembles the story of the inventor who created a mechanical man, but was unable to control his creation.

Cabinet ministers — the prime minister included—seem unable to talk of much else than the railway problem. But no one has the foggiest idea of where to find a solution, of what steps ought to be taken now, before the situation becomes more perilous. In an interview the other day, Hon. R. J. Manion, minister of railways, said the Government had not found any solution, but would continue to discuss the question with the railway managements.

Could Save $30,000,000

Ottawa regards the transportation problem as the outstanding national problem of the day. Public leaders do so for obvious reasons. The National railway will scarcely do better than split even on operation this year, leaving the enormous fixed charges due to public—more than $50,000,000—to be paid by the taxpayers. The Canadian Pacific net earnings are $2,000,000 below last year, and the decline will become more marked as the year proceeds. The cause of this shrinkage in operating net is the result, no doubt, of present business conditions. But this is true only in a general way. The two railways are strong competitors, and if competition could be done away with the effect upon net earnings would be profound. It is estimated by men who know the situation thoroughly that at least $30,000,000 could be saved if competitive services were abandoned, and economies brought about. And this could be done without injuring the public in any way.

The trend of opinion at Ottawa has been clearly marked in the past six weeks. At the outset there was a great deal of talk about amalgamation as the only permanent solution. News despatches along this line got into the newspapers, were played up on front pages. The reaction of public opinion, with scarcely an important exception, was unfavorable, and this policy definitely has been discarded. The Government, undoubtedly, would like to bring about an amalgamation, but it is politically impossible of achievement.

Oppose Amalgamation

Moreover, the railway managements are distinctly antagonistic to amalgamation except upon their own terms. The Canadian Pacific Railway would not object to taking over the Canadian National, but would object strenuously to being absorbed by the publicly owned company, and vice versa. On numerous occasions, Sir Henry Thornton has been in conference here with members of the Government and has made out a strong case against absorption by the Canadian Pacific.

Having abandoned, temporarily at least, all hope of amalgamation, the cabinet has been endeavoring to compel the railway companies to eliminate purely competitive services. Efforts along this line have been made for the past year, and the railways have co-operated to some extent. More economies, however, are being requested, and the railway managements are said to be agreeable to their adoption. To explore this avenue of economy more thoroughly, a joint committee is to be created by the two companies in the near future. This committee, which will not have any real executive authority, will study ways and means of eliminating competition, and will make recommendations to the two managements. The Government hopes, in this way, to hold the situation in check for the balance of the present year.

Commission is Certain

Meantime, it is recognized that more drastic action cannot be taken unless the public are accurately informed of the gravity of the situation. To meet this need, the appointment of a Royal Commission to enquire into the transportation problem as it affects the investors, the workers and the public, is practically certain. There are some differences of opinion among ministers as to the desirability of a Royal Commission, but the weight of opinion, undoubtedly, is favorable, and the Government, in fact, is now trying to line up a suitable personnel. The commission will consist of at least five and probably seven members. The heads of the rival railways will be members of it. There will be an outstanding financial man from the Old Country, and another from the United States. The others will be chosen to represent various classes of interests in this country. Premier Bennett, it is understood, already has made overtures to desired appointees in Great Britain and the United States, but matters have not progressed far enough to warrant a definite forecast. Among the Canadians on the proposed commission, in addition to Sir Henry Thornton and E. W. Beatty, K.C., will be either Sir Joseph Flavelle, Sir Thomas White or Sir Henry Drayton. Sir Joseph played a prominent part in the early development of the National railways. Sir Thomas was a member of the second Grand Trunk Arbitration Commission. Sir Henry Drayton, who headed the Railway Commission for ten years, co-operated with Mr. Acworth in the Drayton-Acworth enquiry. His knowledge, however, runs more to railway rates than to railway operation.

Employees Represented

The composition of the commission, as well as the reference, will be designed to give representation, and a voice in the findings, to all those directly concerned in the railways. Selection of men from Great Britain and the United States will be made for the reason that British and United States' investors are heavily involved not only in the stocks of the C. P. R., and the National (the old Grand Trunk) but are holders of equipment bonds, and Government guaranteed bonds. Railway employees, also, will be represented, because any policy of amalgamation would involve large reductions in staff. The interest of the general public, of course, would be largely in the matter of future service and of freight rates.

If the present Government were not so definitely pledged to a policy of, "Amalgamation never; competition ever," the possibilities of an early amalgamation would be much more real. As the matter now stands, the Government desires to appoint a commission to place all angles of the railway problem before the general public. If, as a result of such an investigation, it becomes obvious that amalgamation is essential, the Government will expect the public to forget about past pledges and accept policies formulated with a single eye to the existing situation. Pending the appointment of the commission, and the subsequent investigation, it is hoped that co-operative measures, initiated by the joint committee, will prevent a transportation crisis.

From Our Own Correspondent

MONTREAL.—Events are moving faster in the railway world. Through the force of circumstances, the railway problem has been brought forcibly to the attention of the public.

Though the formation of a Royal Commission may have an outward appearance of being rushed, the fact is that for some time both railways have been working co-operatively in arriving at methods whereby expenses can be cut down. Train schedules have been limited; hotels placed on a more economical basis; shops closed down; railway stations closed; steamship runs cancelled, etc., etc. Despite the efforts along these lines, expenses are still too high in relation to income.

While there is a minimum expense at which the roads can be operated, there is a general feeling that all has not been done in the way of eliminating unnecessary or duplicate charges. Over the past few years, both railways have undertaken a number of new and costly ventures—arising out of an unrestrained competitive spirit—which have involved the two managements in an outlay altogether out of proportion with the benefits derived.

Room for Economy

Some of these extraneous services have been cut out, but even closer co-operation can make for further reduction in expenses, especially in those departments which do have a direct relation to the transportation of freight, baggage, mails, express, passengers, etc., or, in other words, the primary functions of a railway system.

Then, too, there is the financial aspect of the situation to be considered. The Canadian Pacific Railway has been privately financed and its securities are held by investors in all parts of the world. Until of late, the credit ranking of this company was a by-word in international markets. The rapid and continued decline in earnings, however, has raised serious doubt in the minds of many investors as to the safety of their holdings.

Despite the economies put in force by the management, the Canadian Pacific has had to cut in half the dividends on its ordinary shares. Since that action was taken, the situation has not shown any improvement. Rather has it retrograded and many fear that all dividends may be deferred for the time being. Such action would be a serious blow to the company's credit standing, and to the country at large.

Many C. N. R. Securities

Though the investor has not such a direct interest in the Canadian National Railways, that organization has been the cause of much speculation for several years past. The huge, unwieldy capitalization of this system has brought on a steadily increasing deficit and has thrown a burden on the Dominion Government which is worrying both opponents and proponents of the publicly-owned system.

During recent years the Canadian National Railways have issued tens of millions of dollars of securities, either as a direct obligation or in the form of equipment trust certificates. The former have been guaranteed by the Dominion of Canada and on that account have been sold on advantageous terms. The equipment trust certificates have been secured by the equipment, and do not bear a guarantee. All in all, however, there is a very heavy public investment interest in this enterprise, to say nothing of the hundreds of millions owing to the Dominion Government.

Problems to Face

It is in order to protect these investments place the two railways on a parity as regards financing, and eliminate duplication of services, as well as forestall further unwarranted competition, that the Royal Commission will be formed to find a way out of the troubles.

There is a marked sentiment against any move which would result in a consolidation of the two railways. One group leans to the opinion that a competitive service is essential; another that Government ownership is no panacea to present ills; and thirdly, that even if the Government or a commission recommended consolidation of the two lines, public finances would not permit it.

Room for Improvement

In the way of co-operation, however, definite improvements can be brought out. There is too much trackage in operation at present. Train schedules on certain lines are too heavy. Expenses on hotels are out of line with capital invested. Many other examples could be given of the manner in which the services of the two systems have overlapped to the detriment of economical operations.

The managements of both railways are fully aware of the situation, but for one cause and another are not in a position to take such steps as their judgment indicates. Through the medium of a Royal Commission, however, all features of the railway problems can be thrashed out and agreements arrived at which would save the railways and the people of Canada many millions of dollars each year.

13 Cents Spread Asked on Dollar

Evidence that quotations for the Canadian dollar in New York this week were merely nominal was provided by the experience one man had. He was coming to Canada and wanted some Canadian money. On Monday he walked into one of the biggest New York banks. Very canny, (he is a Scot), he did not offer to buy but asked, "What will you give me for Canadian money?"

"85 cents on the dollar," replied the teller.

"Nothing doing," said the Scot. "But I'll buy it at that price."

"Oh, no," said the teller. "We can not sell it at that price. But we'll sell it at 98 cents on the dollar."

CAN. I. I. TRUST HOLDS REVENUE ON FAIR SCALE

Six Months Statement Reveals Slight Decline

From Our Own Correspondent

MONTREAL.—Revenue of Canadian International Investment Trust in the six months ended August 31, 1931, was slightly lower than figures for the same period a year ago, but sufficient to cover interest preferred dividends and leave a surplus, before income tax, of $16,439 on the common stock.

Gross income was $126,064, against $136,945 in the first six months of the previous fiscal year. Expenses were virtually unchanged at $10,892 and bond interest for the period was earned 2¼ times, and preferred dividends were covered 1.4 times.

No Major Charges

W. C. Pitfield, president of the company, states that no major changes have taken place in the distribution of the company's investment portfolio during the past six months though some small increase in the percentage of senior securities held with a corresponding decline in common stocks is to be noted.

Marked Value Lower

The effect of the decline in quoted values of securities the world over is reflected in the market value of the trust's portfolio as at August 31, 1931, which shows a decrease of 33 per cent. Market value of securities at the end of the last fiscal year February 28, 1931, was $3,714,646. This compared with $4,199,102 at the end of the previous year.

Gross income in the last fiscal year was $268,129 an increase over the previous period. Net profits were $144,251 from which was deducted $98,277 for preferred dividends leaving net profits equal to 3.8 per cent a share on the common stock. Capital structure comprises $2,000,000 of 5 per cent collateral trust bonds, $1,880,000 of 6 or 5 per cent preferred and $1,200,120 of common stock of $10 par value.

6 Months Ended August 31

	1931 $	1930 $
Interest earned	51,738	64,002
Divd. received (cash) ..	74,326	72,943
Gross income	126,064	136,945
Expenses	10,892	10,878
Balance	115,172	126,067
Interest and discount ..	52,554	52,000
Net income	62,618	74,067
Pref. dividends	46,179	50,000
*Surplus	16,439	24,067
Previous surplus	68,133	37,659
*Surplus	84,572	51,726

*Subject to income tax.

Vancouver Grain Exports

Grain exports from the Port of Vancouver up to September 10 are slightly under the volume recorded for the similar period of last year, being 2,772,277 bushels as compared with 2,993,519 in 1930.

CAN. CONVERTERS OPERATING SCALE SLIGHTLY LOWER

Business is Reported as Continuing Spotty

From Our Own Correspondent

MONTREAL.—Operations of Canadian Converters Co. have shown no tendency to improve during the current year and it is understood that earnings to date are slightly below those of last year. Business is reported to continue spotty and as yet there has been no definite indication of a seasonal gain.

Thus it may be assumed that earnings are somewhat short of current dividend requirements, though the disbursement on the capital stock was cut for the second time to 4 per cent. The first reduction from the old 7 per cent rate was made in August, 1930, when dividends were placed on a 5 per cent basis; they were placed on a 5 per cent basis; they were lowered to 4 per cent in June this year.

Income on Lower Scale

Gross earnings in the fiscal year ended April 30, 1931, were $56,291 compared with $104,788 in the previous year, and $116,268 in the year before that. After all deductions last year, there remained $44,791 applicable to the common or the equivalent of $2.58 a share on the $1,733,500 of common stock outstanding.

While working capital at the end of last year was slightly lower at $702,721 cash position was satisfactory. Current assets were 12 times greater than current assets and cash at $62,462 and Dominion of Canada bonds at $75,456 both showed substantial increases over figures for the previous year. Surplus forward was $597,279.

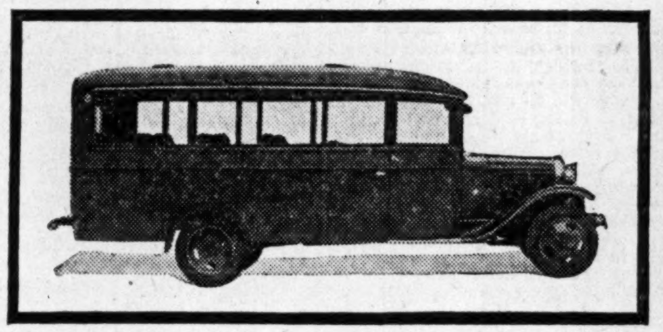
Take From Surplus

Despite the two reductions in dividend rates, it has been necessary to encroach on surplus for payments on the common in the past two years. In the year ended April 30, 1930, net profits fell short of dividend needs by $34,057 and last year by $41,884, surplus at the end of last year was $597,279.

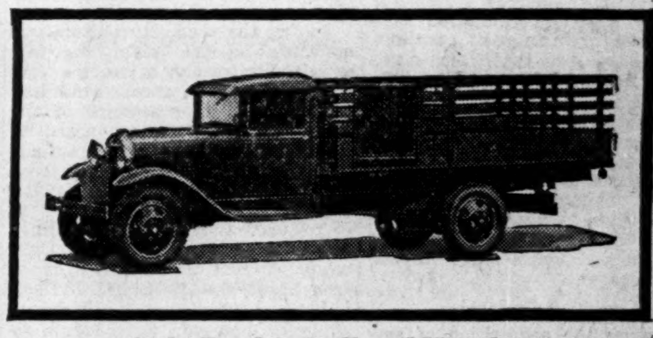
Canadian Converters manufactures a varied line of shirts, collars, overalls, underwear and whitewear. It is not engaged in the manufacture of cotton but purchases its requirements from the textile manufacturers and converts the cloth into the different products which it places on the market.

The company has no securities outstanding other than the common shares. Dividends have been paid on this stock without interruption since 1917.

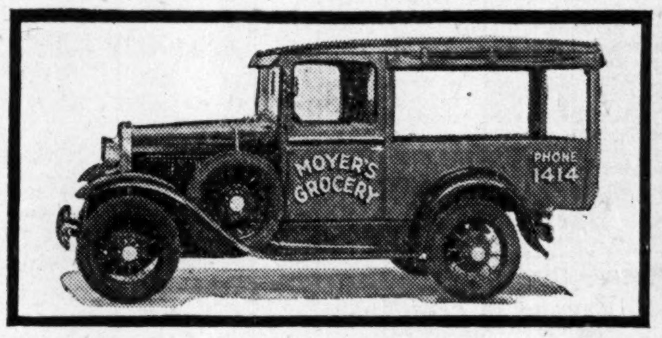
The Ford Truck increases its leadership



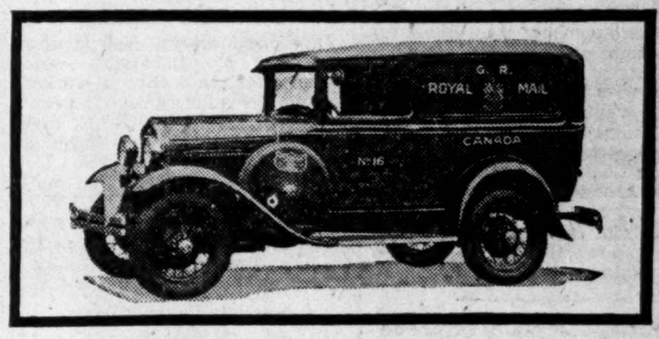
The Bus, seating 21 passengers



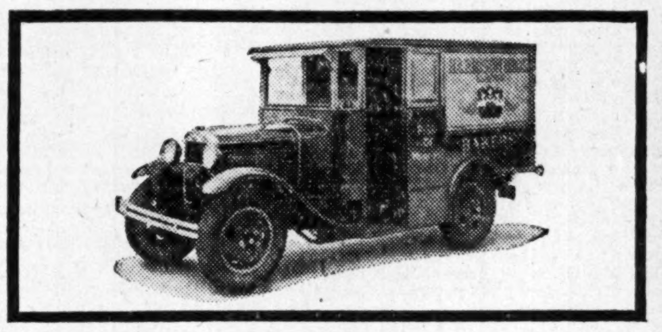
Stake Truck; wheelbase 157 inches



Canopy-top Delivery



De Luxe Delivery Car



Step-in-drive Truck

Dump Body with High Sides and End-gates

FOR many years the Ford truck has served a large majority of Canadian businesses. This leadership is growing steadily each year and government registration figures show that in 1931 to date over 40 per cent of all commercial vehicles sold in Canada were Fords.

Such growth in sales is evidence of the increasing appreciation of Ford values by business men throughout the Dominion. Canadian enterprises of all types are being served by Ford commercial units. You will find Fords giving their marked transportation economies to fleet operators, and to owners of but a single machine. You will find Fords hauling goods in bulk, and transporting small packages. They move livestock, and carry passengers. There is a Ford to fit every transportation need of every Canadian enterprise.

To meet the requirements of different businesses, the Ford truck is available with many standard and custom bodies. There are also two lengths of wheelbase, 131½ and 157 inches; two rear-axle gear-ratios, 6.6 and 5.14, and the choice of either single or dual rear wheels. Thus any requirement in a 1½-ton truck can be met with complete Ford economy in purchase and operation.

And in addition to the truck, there is the Ford light commercial car, offered in four Ford-built bodies mounted on the Model A chassis, for light hauling and package carrying.

Probably other firms in your line of business are making profitable use of the dependability and economy of Ford commercial units. Your Ford dealer will be glad to demonstrate exactly the type of commercial model best suited to your needs.

Ford

"THE CANADIAN TRUCK"

Utilities and Transportation

MONTREAL POWER EARNINGS SHOWN AT HIGHER LEVEL

Figures Are Encouraging in View of Stock Decline

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Cons. has issued figures covering earnings for August, and the eight months ending August 31, which are reassuring in view of the recent decline in the company's shares to levels of around 38. Gross and net, after charges, but before depreciation and income tax, showed gains, both in August and in the eight months period as compared with similar periods in 1930.

In the month of August, the company's surplus, after charges and dividends but before depreciation and taxes, amounted to $451,249 an increase of $30,000 over the same month last year, while in the eight months period, on the same basis, surplus was $4,059,623 a decrease of $38,000. This slight reduction in surplus was accounted for by the fact that dividend distributions were higher in the period by $645,000 on account of a greater number of shares outstanding.

Earns Current Dividend

It is evident, then, that Montreal Power is earning its dividend by a comfortable margin. Though the surplus of $4,059,623 at the end of the first eight months was figured before provision for depreciation and income tax, charges for these two items in the full twelve months of 1930 amounted to but $3,907,955.

Following are comparative figures for August and for the period January 1 to August 31.

August	1931	1930
	$	$
Gross earn.	1,980,443.31	1,889,562.06
Oper. exp. & taxes	680,167.97	686,870.22
Net earn.	1,300,275.34	1,202,691.84
Fixed chgs.	287,520.50	270,966.05
Net income	1,012,754.84	931,725.79
Dividends	561,505.25	510,459.25
Surplus (a) ...	451,249.59a	421,266.54a

Jan. 1 to Aug. 31	1931	1930
	$	$
Gross earn.	16,246,302.38	15,325,788.18
Oper. exp.	5,511,208.85	5,429,729.12
Net earn.	10,735,093.53	9,896,059.06
Fixed chgs.	2,334,524.05	2,002,605.95
Net income	8,400,569.48	7,893,453.11
Dividends	4,340,945.84	3,795,942.42
Surplus (a)	4,059,623.64	4,097,510.69a

a—Without provision for depreciation reserve and income tax.

Expenses Kept Down

That the selling which Montreal Power has encountered recently has been largely due to forced liquidation is the conclusion to be drawn from the earnings figures. Increases in gross and net earnings are encouraging; a feature of the statement is the narrow increase in working expenses compared with the marked gain in gross earnings.

It will be seen that gross earnings in August increased by nearly $100,000 while operating expenses and taxes dropped $6,000 to $680,167. In the eight months period gross was higher by over $900,000, while expenses increased by only $82,000. It may be supposed that the increase in gross to some extent is due to revenue obtained from the company's larger investment account.

Continues Expansion

Through the acquisition of systems in and about Greater Montreal, Montreal Power continues to extend its activities. Early this year, arrangements were made for acquisition of Verdun's distribution system; a similar deal in connection with Lachine is almost completed, while it is reported that negotiations are under way with a view to acquiring the Pierrefonds Electric Co., a concern serving the district around St. Genevieve, Roxboro, and the North shore of the Island from Senneville. This comprises an area of about one quarter of the Island of Montreal.

Winnipeg Electric Improve Operating Income in July

From Our Own Correspondent

MONTREAL. — Though gross revenue was off in July last, Winnipeg Electric Co. effected sharp economies, with the result that net income was higher than for the same month last year. For July, 1931, gross income totalled $436,252 and operating expenses $295,493, leaving a net income of $140,750. For the same month last year gross revenue amounted to $452,212 and working expenses $327,106, leaving a net profit of $125,106.

Aggregate gross earnings from the beginning of the year to the end of July totalled $3,412,744, and after payment of operating expenses, net returns amounted to $1,131,239. For the same seven months period of 1930, gross income aggregated $3,725,716 and net revenue $1,250,436.

Lachine Power System May Go to Montreal Power

From Our Own Correspondent

MONTREAL.—After adopting a bylaw to dispose of the local electrical system to the Montreal Light, Heat and Power Cons., the City Council of Lachine have decided to bring the matter before the land owners, who will vote on a referendum to settle the project.

Lachine's power contract with Montreal Power expired early this spring and following study of the matter the council decided to sell the system for $200,000.

International Hydro Declares Dividends

From Our Own Correspondent

MONTREAL.—Directors of International Hydro-Electric System have declared a quarterly dividend of 87½ cents a share, payable October 15, to shareholders of record, September 25, 1931, on the preferred stock convertible $3.50 series.

A stock dividend of one-fiftieth of a share of class "A" stock for each share of class "A" stock held has also been declared. Shareholders as usual have the option of taking a cash payment of 50 cents a share in lieu of stock.

Saint John Customs Receipts

Customs receipts at the Port of Saint John for August show an increase of $10,223 over those of a year ago, the receipts this year in August being $140,101.

B. C. Power Corp. Profit Shows Material Gain Over Previous Figures

Earnings of $2.44 on "A" Compare With $2.19 in 1930

TRAM REVENUE DOWN

Decrease in Gross Offset by Reduction in Expenses of $810,676

From Our Own Correspondent

MONTREAL. — A decline of $314,396 in gross revenue and an increase of $732,651 in net income are features of the profit and loss statement of British Columbia Power Corp., for the fiscal year ended June 30, 1931. The decline in gross revenue was entirely due to a falling off in street railway traffic; the increase in net earnings is accounted for by a sharp reduction in expenses which were lower by $1,047,046. This reduction was due to operating economies effected, together with the fact that power purchases, amounting to $810,676 in 1930, were eliminated last year.

Net earnings, after charges, last year, amounted to $2,436,816 or the equivalent of $2.44 a share on the class "A" stock. In the previous year, net earnings were $2,188,194 which was equal to $2.19 a share on the "A" stock. After payment of dividends there remained a surplus of $436,816, or 44 cents a share on the class "B" which compares with 19 cents a share in 1930.

Profit and Loss Figures

Following are comparative figures for the past two years:

	1931	1930
	$	$
Gross	15,119,946	15,434,341
Exp.	7,779,964	8,060,381
Pow. P.	......	810,676
Deprec.	1,870,965	1,877,030
Taxes	446,459	396,347
Net income	5,022,558	4,289,907
(a) Bond interest	2,585,742	2,101,713
Net earn.	2,436,816	2,188,194
Div. "A" stock	2,000,000	2,000,000
Surplus	436,816	188,194
Prev. Surplus	1,025,958	837,763
P. & L. surp.	1,462,774	1,025,957

(a) And dividends on subsidiary securities.

Electric and Gas Gains

Increased earnings were recorded in the electric and gas department. This increase was brought about by the addition of 4,900 electric consumers and 2,400 gas consumers during the year, by increased sales of appliances consuming gas and electricity. Due to the reduced number of passengers carried, and the smaller quantity of freight hauled, the earnings of the transportation department showed a reduction compared with the previous year.

During the year, expenditures on additional electric plant, together with the extension of electric and gas services and improvements and additions to other sections of the company's business, amounted to $5,015,968. This expenditure finds reflection in the company's balance sheet which shows net working capital down from $8,604,124 to $5,167,080. Current assets declined by over $4,000,000 to $8,890,321, while current liabilities dropped from $640,000 to $3,723,241. Reflecting the expenditures additions to property, however, fixed assets increased by a like amount to $134,840,486.

Cash Shows Decline

In current assets, cash is down $4,150,000 at $3,151,931 which accounts for the decline in working capital. Investments have increased from $551,425 to $1,308,723, while accounts receivable are lower by about $400,000 at $1,487,100.

Employees housing loans, mortgages, etc., totalled $715,482 an increase of $125,000, while inventories are lower by $377,000 at $2,124,357. Bond discount of $355,862 makes its first appearance.

Accounts Payable Down

In current liabilities, accounts payable, including reserve for income tax, total $2,469,083, compared with $2,927,559 in the previous year. Accrued interest at $504,455 is lower by some $183,000, reflecting the benefits of refunding operations carried out last year.

Depreciation reserve has been increased from $19,733,995 to $21,220,423, while general reserve has been reduced by $219,000 to $1,504,942. Funded debt is slightly higher at $39,065,150, while capital stock of subsidiaries in the hands of the public are shown at $12,082,776, an increase of $11,000.

Capital and surpluses represented by the 1,000,000 class "A" shares and 1,000,000 class "B" shares is carried at $66,828,538, an increase of $436,816 over the previous year.

Details of Activity

Details of activity in the company's different divisions are contained in the report. During the year 33 miles of gas mains were installed, while plans have been made for construction of an additional coal gas generating plant with a capacity of 3,000,000 cubic feet a day. It is anticipated that with completion of this plant, the consumption of British Columbia coal will amount to 100,000 tons a year.

Despite the fact that last winter was mild and demand for gas for heating purposes was below normal, the total quantity of gas sold increased, due to the greater number of heating installations completed during the year and increased consumption of domestic gas.

Following are figures covering output in the past five years:

	*Gas Sold Cubic Feet	Gas Consumers	Miles of Mains
1931	1,272,870,000	50,697	572.42
1930	1,263,048,000	48,307	589.02
1929	1,192,433,000	45,163	491.83
1928	1,070,810,000	41,144	441.92
1927	977,902,000	36,484	372.82

Industrial Load Lower

While there was a considerable reduction in the use of industrial power last year, total consumption of energy resulted in an increase over previous years. Output was the highest yet to be recorded by the company, while the number of customers also showed an increase.

Following are comparative figures covering operations of the light and power system in the last fiscal year:

	Kw.h.	Consumers	Motor Load in H.P.
1931	372,282,045	118,267	157,100
1930	351,047,572	110,436	151,244
1929	342,627,810	105,908	141,378
1928	290,405,805	100,337	128,341
1927	263,720,953	94,611	121,747

The slowing up in the building trade, and the condition of the lumber business on which so many industries are dependent, the report states, were largely responsible for the decline in the numbr of passengers carried on the railway system. Though passengers and revenue decreased, the number of car miles operated over the system, showed an increase over the previous year of 561,000 miles, as a result of the increased number of cars in service. Passengers carried and freight tonnage compare with previous years as follows:

	Passengers carried	Freight tonnage
1931	74,249,659	343,320
1930	76,113,550	454,111
1929	77,694,731	533,391
1928	77,063,656	387,896
1927	75,113,022	481,690

W. G. Murrin, concludes his statements to shareholders with a statement on taxation. In this connection, he said in part:

"The burden of taxation on the company continues increasingly heavy, and with the 25 per cent increase in taxes to be imposed by the Dominion and Provincial Governments, together with increases in municipal taxes, will constitute a very serious charge against the company's revenues.

"The following is a comparison of the taxes imposed by the Dominion, Provincial and Municipal authorities during the last five years:

1931	$994,438
1930	965,169
1929	934,985
1928	891,143
1927	831,550

"The above taxes do not include indirect taxes, in the nature of sales tax on materials, stamp and other revenue taxes, which amount to a considerable sum.

"While there can be no possible objection to contributing a fair and just amount toward the cost of administering the affairs of the country, it must be recognized that any amount in excess of this is an unfair burden on the industry and can only be collected by the company through the medium of rates and charges for the services performed."

Public Utility Earnings

Winnipeg Electric Company

	July, 1930	July, 1931
	$	$
Total gr. earn.	452,212	436,252
Working exp.	327,106	295,493
Net earnings	125,106	140,750
Aggreg. gross earn. from Jan. 1 to end of July	3,725,716	3,412,744
Aggreg. net earnings from Jan. 1 to end of July	1,250,436	1,131,239

B. C. Power Corp.

	July, 1930	July, 1931
	$	$
Gross earnings	1,196,239	1,131,941
Expenses	791,432	803,106
Net earnings	404,807	328,835

Brazilian Traction

	1931	1930	Decr.
August	$	$	$
Gr. Earn.	2,817,714	3,792,808	975,094
Op. exp.	1,102,328	1,477,969	375,641
Net earn.	1,715,386	2,314,839	599,453
Aggreg. gross fr. Jan. 1	24,660,072	32,160,185	7,500,113
Aggreg. net fr. Jan. 1	14,909,759	18,787,153	3,877,394

Note:—The decrease in net earnings in comparison with August, 1930, is again accounted for in very large measure by the decline in exchange.

Southern Canada Power

	1931	1930	Increase
August	$	$	$
Gross earn. .	187,889	187,180	709
Oper. exps. .	73,625	74,866	*1,241
Net earn. ..	114,264	112,314	1,950
11 Months	1931	1930	Increase
Gross earn. .	2,151,100	2,066,316	84,784
Oper. exps. .	834,822	773,714	61,108
Net earn. ...	1,316,278	1,292,602	23,676

*Decrease.

Power Corp. Companies Expand in Five Years

From Our Own Correspondent

MONTREAL.—The condensed statement of operations of the public utility companies which Power Corp. of Canada controls or is substantially interested in, as presented in the annual report indicates the scope of the corporation's operations.

The companies concerned comprise B. C. Power Corp., Canada Northern Power Corp., East Kootenay Power Co., Manitoba Power Co., Northwestern Power Co., Northern British Columbia Power Co., Southern Canada Power Co. and Winnipeg Electric Co.

The review discloses that between 1926 and 1931, combined annual gross earnings of these companies increased over 41 per cent and annual net earnings available for reserve and common dividends by 293 per cent. Total kilowatt hours generated yearly rose by 60 per cent and the total plant capacity by 78 per cent.

Undeveloped power sites in control of affiliated companies at the end of the fiscal year, June 30, 1931, had a total capacity of 1,227,450 h.p. and the total ultimate capacity of all plants was 2,039,450. h.p.

Total population of territories served by controlled or affiliated companies, is approximately 1,300,000 and there are 260,000 direct customers.

Maritime Telephone Toll Traffic Down

From Our Own Correspondent

MONTREAL. — Long distance toll traffic of the Maritime Telegraph and Telephone Co. during the period June 21 to July 20 last, numbered in calls 140,019, of which 129,767 were completed for a percentage of 92.6. The average completed out calls per day numbered 4,988.

Though no figures are available for the corresponding month last year, the company officially states that the volume of toll traffic for the month under review was somewhat smaller than last year.

For this period Class "A" exchanges reported 91.6 per cent of calls as completed, while Class "B" exchanges completed 94.7 per cent of calls.

B. C. Power Earnings Lower During July

From Our Own Correspondent

MONTREAL. — During the first month—July—of the current fiscal year British Columbia Power Corp. reported gross earnings of $1,131,941, as compared to $1,196,239 a year ago. Operating expenses showed an increase from $791,432 to $803,106, leaving a net income of $328,835. This was $75,972 less than in the same month last year.

SCOTIA POWER CONSOLIDATES SEVERAL UNITS

Applies to Utility Board for Approval to Merge

From Our Own Correspondent

MONTREAL. — Nova Scotia Light & Power Co. has taken steps toward consolidating its utility properties in the province and to that end the Novia Scotia Board of Commissioners of Public Utilities has been asked to approve the transference of the undertaking and business of several subsidiary companies to the parent organization.

Three directly controlled companies are under process of being merged, namely, Dartmouth Gas, Electric Light, Heating and Power Co., Chester Light and Power Co., and Avon River Power Co.

At the same time applications have been made by subsidiary companies of Avon River Power to be merged with Nova Scotia Power. These include the Sackville River Electric Co., and Edison Light & Power Co.

Buy Many Properties

Over the past two or three years Nova Scotia Light & Power and Avon River Power have been negotiating and purchasing several of the smaller utility systems in the province. The area surrounding Halifax and Dartmouth and down through the Annapolis Valley has been pretty well brought under the control of these two organizations.

Now Merging Units

Last year initial steps were taken to weld all the individual systems into a complete entity. Acquisition of the entire voting stock control of Avon River Power was announced last October. This cleared the way for the absorption of Avon River's subsidiaries into the larger system.

Further financing will likely be undertaken by Nova Scotia Power, judging by the fact that this month it asked the Utilities Board for approval of an issue of $2,400,000 of 5 per cent first mortgage bonds and $800,000 of 6 per cent preferred stock. It was stated in the application that the proceeds would be used for the acquisition of a number of properties and also for the purpose of effecting improvements in different departments, the total expenditure being estimated at $3,247,000.

May Exchange Securities

An exchange in securities may be effected, as for example, in the case of Avon River Power which has outstanding $843,400 of first mortgage bonds; $200,000 of preferred and 225,000 shares of no par value common stock.

Presently outstanding capitalization of Nova Scotia Power included $4,310,500 of 5 per cent bonds, $1,350,000 of 6 per cent preferred.

Quebec Power Dividend Remains Unchanged

From Our Own Correspondent

MONTREAL.—Directors of Quebec Power have declared the regular quarterly dividend of 62½ cents a share on the common stock, payable October 15 to shareholders of record, September 25, setting at rest any doubt which may have been entertained regarding the disbursement.

Some fears for the maintenance of the full rate were apparent in the decline of the stock to a low of 27, following the declaration of a reduced dividend on the shares of its parent organization, Shawinigan Water and Power Co.

Shares of Quebec Power strengthened three points to 30, following the declaration of the regular payments.

Canadian Pacific Railway Close Down Three Shops

From Our Own Correspondent

MONTREAL. — Announcement has been made that the Canadian Pacific Railway will close its Montreal, Winnipeg and Calgary shops on September 18 for an indefinite period, there being no immediate necessity for new rolling stock. Some reduction in the West Toronto shop has also been effected.

Between 6,000 and 7,000 men are affected by the company's decision; Angus shops in Montreal employ around 3,000, Winnipeg between 2,000 and 3,000, and about 1,100 by the Ogden shops, in Calgary.

Moose Jaw Rejects Proposal for Buses

From Our Own Correspondent

MONTREAL. — Moose Jaw voters have rejected a proposition whereby the existing street car service would have been replaced by buses. Had the proposal carried, the city would have acquired $40,000 of the first mortgage bonds of the Moose Jaw Electric Railway Co., which has had a street car franchise for upward of twenty years. The traction company is controlled by Ottawa interests.

FARQUHARSON & COMPANY
Industrial Engineering & Research
Confederation Bldg. — Montreal
INVESTIGATIONS & REPORTS
For Industrial and Financial Purposes
Management Methods—Economic Studies
Plant Location, etc.
STANLEY FARQUHARSON, A.M.E.I.C.
FRANK A. ELLIS, A.M., Am. Soc. M.E.
J. GORDON REED, M.A.

SCIENCE
IS THE HAND-MAIDEN OF INDUSTRIAL PROGRESS. THE DEGREE TO WHICH IT IS EMPLOYED IS THE MEASURE OF ANY INDUSTRY'S DEVELOPMENT AND PROGRESS.
MILTON HERSEY COMPANY, LIMITED
INDUSTRIAL CHEMISTS AND ENGINEERS
MONTREAL WINNIPEG

Can. N. Power Output Up 15% To End of July

MONTREAL.—Output of Canada Northern Power Corp. in the first seven months of 1931 was 238,368,970 kw.h., as compared with 207,687,740 kw.h. in the first seven months of 1930, an increase of nearly 15 per cent. Net earnings in the same period increased by $71,544 to $1,311,065—an increase of 5.77 per cent.

Output of the company is closely related to progress of the gold mining industry of Northern Ontario and the Noranda enterprise in Quebec. While the gold output of the Ontario camps in the first half of the present year increased by 18.5 per cent, the electrical production of Canada Northern Power increased by 14.5 per cent.

Attainment of a new peak in gold production by Ontario's mines in July was accompanied by a rise in power output for the month of nearly 18 per cent over July, 1930.

ONTARIO HYDRO ADVANCES DATE RECEIVE POWER

Gatineau Power to Make Deliveries Before October

From Our Own Correspondent

MONTREAL.—To offset a power shortage in the Eastern Ontario system, the Ontario Hydro-Electric Commission has authorized the anticipation of its contract requirements with Gatineau Power Co. by taking 6,000 h.p. immediately instead of on October 1.

It is stated that due to the increased load this year and the low water conditions existing on the Trent Power System, the Commission found present capacities and contracts were insufficient to meet the demand. Additional power has had to be purchased to prevent a shortage.

Holds Three Contracts

Gatineau Power Co. has a contract with the Ontario Hydro-Electric Power Commission calling for delivery of 260,000 h.p. by October this year. Under a second contract an additional total of between 60,000 and 100,000 h.p. is reserved for the commission. Under a third contract the company provides for delivery of 20,000 h.p. which is now being taken by the commission.

Deliver of primary power to the commission under the company's three contracts now aggregates 294,000 h.p. of a total of 679,000 h.p. developed by the company.

Southern Canada Power August Returns Higher

From Our Own Correspondent

MONTREAL. — Gross earnings of Southern Canada Power Co. in August, 1931, amounted to $187,889 and net profits were higher by $1,950 at $114,264. Expenses in the month showed a reduction of $1,241.

For the 11 months ended August, net earnings of $1,316,278 showed an increase of $23,670. Gross was higher by $84,784 while working expenses increased by $61,108.

MEETINGS HELD TO PLAN FUTURE OF BEAUHARNOIS

Bennett and Taschereau Discuss Problems of Situation

From Our Own Correspondent

MONTREAL. — Conferences recently held between Premier L. A. Taschereau of Quebec and the Federal Government represented by Premier R. B. Bennett and Hon. Wesley A. Gordon, Minister of Immigration and Mines and chairman of the special House Committee, which probed the affairs of the power project, are expected to lead to some definite announcement regarding the future of Beauharnois Power Corp. in a short time. Mr. Taschereau stated that they were in cordial agreement on the main point of issue, namely, to ensure the continuance of the project, to get the delivery of power at the earliest possible time and to protect investors.

An important question to be dealt with, and on which some announcement may be expected shortly, is whether or not Senator W. L. McDougald, Robert O. Sweezey and R. A. C. Henry are to be relieved of control of Beauharnois, which they presently hold through their preferred management shares. Action in this matter is largely one for Federal authorities.

American Commonwealths Declares Initial Dividends

In addition to the regular quarterly dividends on the first and second preferred stocks and the Class A and Class B common stocks of American Commonwealths Power Corp. (Delaware), directors declared the initial monthly dividends on the customer ownership series of prior preferred stock of American Commonwealths Power Corp. of New Jersey, recently formed, for three months, as follows:

A monthly dividend of 52 cents per share on the prior preferred stock, $6.25 dividend series, payable October 1 to stockholders of record at the close of business September 12, 1931.

A monthly dividend of 52 cents per share on the prior preferred stock, $6.24 dividend series, payable November 2 to stockholders of record at the close of business October 12, 1931.

A monthly dividend of 52 cents per share on the prior preferred stock, $6.24 dividend series, payable December 1 to stockholders of record at the close of business November 12, 1931.

The New Jersey Corporation was formed to help supply the funds necessary to provide additional plants and equipment to meet a constantly increasing demand for service. The particular function of the New Jersey corporation, is the sale of its own prior preferred shares, representing prior preferred participation in earnings and assets. These dividends are cumulative.

Kelly Denies Rumor on Dom. Steel and Coal

From Our Own Correspondent

MONTREAL.—Rumors that he was to succeed C. B. McNaught as president of the Dominion Steel and Coal Corp. have been flatly denied by H. J. Kelly, vice-president and general manager of the company. Mr. Kelly has been in Montreal recently, an occurrence which may have lead to origination of the reports. His trip, he claims, was on ordinary business for the corporation.

Opportunity

The present exchange situation creates an opportunity for investors holding securities payable in United States currency. Advantage may be gained by the sale of these securities and the reinvestment of the funds so released in equally sound securities payable in Canadian currency only.

We suggest that investors review their securities and permit us to submit profitable exchange proposals.

The services of our organization are at your disposal.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

Able to Serve You Superlatively Well

It is our constant aim to give an unusual degree of real personal attention to the interests of our clients.

Crown Trust Company
AUTHORIZED CAPITAL $5,000,000
PAID-UP CAPITAL - - 1,000,000
RESERVE FUND - - 400,000
St. James Street • Montreal

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA, WINNIPEG, WELLAND
HEAD OFFICE MONTREAL

When Do We Eat?

A big question, this.

Asked three times a day, every day, including Sunday.

"Pretty soft for food distributors," say some. "Don't have to drum up a market; they satisfy a NEED."

Not so!

Food distributors are face to face, always, with Old Man Competition himself.

Each has to struggle without ceasing to get HIS product into grocery stores and to KEEP it there.

Some manufacturers and distributors of foodstuffs seek to win and to keep the goodwill of the grocery trade solely by personal solicitation and the mailing of an occasional folder.

The shrewder individuals, however, supplement these efforts with the use of the advertising pages of Canadian Grocer to tell the story of their goods and services.

At modest cost, they send a sales message fortnightly to the men who buy $350,000,000 worth of foodstuffs each year. They keep before these buyers, constantly, the merits of their products and show the grocer how he can profit by pushing them.

These are the successful firms; the leaders in their field.

If you manufacture or distribute foodstuffs Canadian Grocer has a message for you. Write

Canadian Grocer
Canada's National Grocery Paper Since 1886
MEMBER A.B.C.
Published by Business Newspapers Division
The MacLean Publishing Company, Limited
43-153 University Avenue Toronto, Canada

Largest Paid A.B.C. Circulation of any Grocery Publication in Canada
Leads all other papers in circulation, advertising carried, and reader interest

News of Investment Markets

BOND TRADING IS SUSPENDED; NO FIRM BIDS

Canadian Market is Subject to Price Readjustments

The chaotic condition of the exchange market immediately preceding and since the announcement that Great Britain would temporarily go off the gold standard has practically stopped all trading in Canadian bonds. Canadian investment houses are taking no new commitments for their own account and virtually no firm bids are available for any bond from Dominion of Canada bonds on down the entire list. Until conditions become more stable bond prices will remain purely nominal.

With the Canadian dollar quoted at a discount of up to 11 per cent in terms of New York funds on Tuesday, the Canadian bond issues listed in New York showed drastic price reductions on comparatively small volume of sales. Arbitrage was rendered difficult and even impossible due to the inability of Canadians to secure a firm price on New York funds. As a result direct obligations of the Dominion of Canada dropped up to 2¾ points on Monday and the C. N. R. 5's of 1969, guaranteed by the Dominion went as low as 89⅛ on one sale and ended the day with a loss of 7¾ points.

Will Follow Exchange

Prices of Canadian securities traded in New York can be expected to show price decreases closely corresponding to the discount at which the Canadian dollar is quoted but investment bankers feel that some additional degree of stability will be felt from day to day. There has been no change in the security behind Canadian bonds during the past week and the unsettled condition of prices is purely a result of the temporarily disruptive effect of the British action on the exchange markets of the world.

At the present time buyers are not prepared to enter a market that is in such a disturbed condition nor are bondholders willing to sell voluntarily. Some forced liquidation of holdings has taken place at what may appear to be sacrifice prices when conditions return to normal but the extent to which the market is frozen can be judged by the fact that more than one prominent investment banking house in Toronto will make no firm bids for any of the Dominion conversion loan bonds of 1931. It is not expected, of course, that this condition is anything but purely temporary.

Must Adjust Prices

The trend of Canadian bond prices during the rest of this year will remain in doubt until the effects of Britain's action will become more clear but at the present time the consensus of opinion of bond men is that there will be considerable readjustment of prices throughout the entire list. As soon as firm bids are available on the premier Canadian issues, dealers will be able to effect this readjustment. In a number of cases this may be a painful procedure although many of the larger investment houses are carrying very small inventories of bonds on hand. There still remains unsold, however, fairly substantial block of bonds in the hands of various syndicates.

If the Canadian dollar remains at a discount such as prevails at the present time the effect on the financial community in Canada will be tremendously important. The Canadian provinces and the larger cities have looked to New York as a chief market for their securities since before the war when financing was arranged in London. As a result, many provincial bonds are payable in United States gold and, with New York funds at a premium, the payment of interest and principal will form an increased drain on Government revenues.

Few Short Term Loans Due

Until early this summer a considerable amount of short term money was obtained in New York and several of the Canadian provinces issued short term notes, maturing in 6 months to two or three years. In the current year over $15,000,000 of short term financing has been undertaken by the various provinces, but a relatively small amount matures within the next six months since most of the notes issued mature from two to five years from date of issuance. Alberta, however, has $3,000,000 coming due on January 15, 1932, although all of this may not be payable in the United States. Saskatchewan has $3,000,000 coming due in February, 1932. In 1930, the volume of short term financing undertaken by the provinces amounted to over $60,000,000, but of this only $10,729,000 has not matured and the amounts remaining outstanding are not due until late in 1932 or in 1933.

At the current rate of exchange investors in the United States who buy Canadian securities could invest at great advantage. If there is sufficient confidence in the security inherent in Canadian issues payable in New York any substantial buying would drain the Canadian market of this type of security. Such purchase would not only strengthen the position of the Canadian dollar, but would bring about a more active market for bonds in Canada. There it no indication that such a demand will materialize in the United States but Canadian securities carry a good reputation among large investors there and with prices as they are and the rate of exchange favoring the buyer this is a possibility that must be considered.

While Canadian financing has not been undertaken in London for well over a decade there is a substantial amount of Canadian bonds held in Great Britain and the issuing governments will be favored by the exchange rate existing between Great Britain and Canada. The Dominion Government has some $300,000,000 of bonds payable in London only while railway bonds, guaranteed by the Dominion, which are payable in London amount to practically another $300,000,000. All of the provinces have bonds outstanding that are payable in London at least in part.

Fixed Trust Depositors' Interests Are Merged

Standard American Corp., depositor for Standard American Trust Shares, and All America Investors Corp., depositor for All-America Investors Corp. Accumulative Trust Shares, Series A, have been merged under the name of Standard All-America Corp., effective at once.

Hereafter, All-America Investors Corp. Accumulative Trust Shares will be known as Standard All-America Trust Shares. The creation of Standard American Trust Shares will be continued and, accordingly, two trusts differing somewhat in provisions and portfolio will be available to the 673 investment dealers that constitute the Standard All-America distributing group.

Bond Sales

ST. MARYS, ONT.

Stewart, Scully Co. has been awarded $25,000 5% debentures of St. Marys, Ont., maturing in 15 instalments on a bid of 102.121; cost basis approximately 4.75%. Bids are reported as follows:

1	Stewart, Scully & Co.	102.121
2	R. A. Daly & Co.	102.022
3	H. R. Bain & Co.	101.98
4	Dominion Securities Corp.	101.437
5	Milner, Ross Securities Corp.	101.073
6	Bell, Gouinlock & Co.	100.718
7	Gairdner & Co.	100.695
8	Royal Financial Corp.	100.525
9	McLeod, Young, Weir & Co.	100.48
10	Dyment, Anderson & Co.	100.39
11	C. H. Burgess & Co.	100.11
12	Wood, Gundy & Co.	99.62
13	J. L. Graham & Co.	99.523
14	Griffis, Fairclough & Norsworthy	99.52

DRUMMONDVILLE, QUE.

The Provincial Bank has been awarded $86,500 5% serial debentures of Drummondville, Quebec, at 99.75. Bids are reported as follows:

1	Banque Provinciale	99.75
2	Hamel, Fugere & Co.	99.55
3	Dyment, Anderson & Co.	99.31
4	Wood, Gundy & Co.	99.08
5	Hanson Brothers, Inc.	99.021
6	Dom. Securities Corp.	98.17
7	A. E. Ames & Co.	98.08

STE. FOY, QUE.

Lagueux & Darveau Ltd. has been awarded $55,000 5% 20-year serial debentures of the Parish of Ste. Foy, Quebec at 99.50; cost basis 5.05%. Tenders were called for September 8 and the high bid of 99.60 submitted by the Banque Provinciale was not accepted. Bids are reported as follows:

1	Lagueux & Darveau Ltd.	99.50
2	Hamel, Fugere & Co.	99.25
3	Dube, Leblond & Co.	98.45
4	C. H. Burgess & Co.	96.50

EAST ANGUS, QUE.

Banque Canadienne Nationale has been awarded $105,000 5% 10-year serial debentures of the town of East Angus, Que. for which tenders were asked for September 8. The bank tendered 97.50, giving the town a cost basis of 5.51%.

GRAND'MERE, QUE.

Banque Canadienne Nationale has been awarded $100,000 5% 15-year serial debentures of Grand'Mere, Quebec, at 99.38, a cost basis of 5.10%. Tenders were called for September 9. No other bids were received.

Saskatchewan authorization granted by the Local Government Board: Village of Climax, $3,000 for water supply.

Sept. 30, Municipality of Beaupre.—$11,000, 5 per cent 10-year serial bonds. V. Roy, sec.-treas.

Sept. 28, School Municipality of Black Lake.—$62,000, 5½ per cent, 30-year, serial bonds. A. H. Chabot, sec.-treas.

Bond Tenders

With bond dealers refusing to take on any new commitments until the present unsettled state of bond prices changes to a condition where some degree of stability prevails there appears to be slight possibility of Canadian municipalities financing in the immediate future through issuance of debentures. A considerable volume of municipal financing will be necessary before the end of the current year and bond men believe that this will have to be accomplished on a higher cost basis than has prevailed in recent months, if not in the past year.

The City of Belleville, Ont. has cancelled the call for tenders on a total of $316,547 of 4½% and 5% debentures. Tenders were to be submitted on September 22 but the city treasurer, on September 21, wired investment banking houses as follows: "Owing to present national financial condition call for tenders City of Belleville debentures September 22, 1931, cancelled. H. B. Stock."

Oct. 5—Township of Amherst, Que.—$14,200, 5½ per cent, 30 year serial bonds. E. Desormeaux, sec.-treas.

Oct. 5—Town of l'Assomption—$15,000, 5 per cent, 30 year serial bonds. P. A. Seguin, sec.-treas.

Sept. 28—School Municipality of Black Lake, Que.—$62,000, 5½ per cent, 30 year serial bonds.

Sept. 30 — Municipality of Beaupré.—$11,000, 5 per cent, 10 year serial bonds.

12 o'clock noon, Oct. 5—Township of Amherst, Que.—$14,200, 5½ per cent bonds dated Sept. 1, 1931, redeemable serially from Sept. 1, 1932, to Sept. 1, 1961. Capital and interest payable at Provincial Bank at Montreal and Saint Remi d'Amherst. Emilien Desormeaux, sec.-treas.

6 o'clock p.p., Oct. 5—Town of L'Assomption, Que.—$15,000, 5 per cent bonds dated June 1, 1981, redeemable serially from June 1, 1931, to June 1, 1961. Capital and interest payable at Banque Can. Nationale, Montreal, or at its branch at L'Assomption. P. A. Seguin, sec.-treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Dom. Glass Co.	*6%	1933	Dec. 2	110
B.C. Telephone	4*%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
Interlake Tissue Mills	*6%	1935	Feb. 1/32	101
Maine & N.B. Electrical Power	*6%	1948	Jan. 1/32	107½
Northern Electric	*5%	1939	Dec. 1	105
Foreign Issues—				
Kingd. of Norway	*5%	1967	Dec. 1	100
Argentine Republic	4½%	1934	Oct. 1	100
City of Oslo, Norway	5½%	1946	Feb. 1/32	100
Sao Paulo Coffee Realiz. Loan	*7%	1940	Oct. 1	100
Danish Cons. Ext.	*5½%	1955	Nov. 1	100

*Called in part.
†Or before.

Price Trend of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100 was 67.0 for the week ending September 17, as compared with 67.9 for the previous week.

ACROSS CANADA IS NEW TRUST OF FIXED TYPE

Portfolio Consists of Stocks of 25 Canadian Companies

A new Canadian fixed trust of the cumulative type is being offered by Stewart, Scully & Co., sponsoring Across Canada Trust Series 10. All of the 25 stocks included in the portfolio are Canadian stocks. In several cases the preferred stock is included rather than the common stock. Each unit of the portfolio contains 990 shares and approximately the same amount is invested in each company.

Against each unit there are issued 2,500 trust shares; The Chartered Trust & Executor Co. acting as trustee. Distributions are to be made semi-annually, payable at par at any branch of a chartered bank in Ontario. No reserve fund is maintained to stabilize disbursements, which are derived from cash dividends received, and the proceeds of sale of rights and the sale of any old shares derived from stock splits after dividing by five.

Permits Sale

Elimination of any stock in the portfolio is dependent upon the judgment of the depositor company. Proceeds from the sale of any stock will be distributed in the next semi-annual distribution. The trust dates from July 2, 1931, and terminates in five years. Shareholders owning 500 shares, or multiples, may convert their holdings into the underlying stocks.

The trust shares, currently selling around $8.40, are priced on closing prices of the preceding day's market, plus brokerage, plus 25 cents per share for trustee's fees and 6 per cent of the sum of these items for cost of distribution, profit, etc. Shares are priced to the next highest 5 cents and any accumulations are then included. The trustee's fees are paid in full at the time the trust shares are issued. The trustee allows its current rate on savings deposits on any accumulations.

The portfolio of the trust is made up as follows:

	Common Stocks
75	British American Oil Co.
25	British Columbia Power Corp. "A"
5	Bell Telephone Co. of Canada, Ltd.
5	Bank of Montreal.
5	Canadian Bank of Commerce
10	Consolidated Mining & Smelting Co. of Canada, Ltd.
25	Canadian Pacific Railway Co.
50	Dominion Stores, Ltd.
50	Ford Motor Co. of Canada, Ltd. "A"
10	Goodyear Tire & Rubber Co. of Canada
100	Hollinger Consolidated Gold Mines Ltd.
75	Imperial Oil of Canada, Ltd.
75	Imperial Tobacco Co. of Canada Ltd.
75	International Nickel Co. of Canada Ltd.
25	Lake Shore Mines, Ltd.
75	Loblaw Groceterias, Ltd. "A"
50	McIntyre Porcupine Mines Ltd.
20	Montreal Light Heat & Power Cons.
50	Noranda Mines, Ltd.
10	Page-Hersey Tubes Ltd.
20	Shawinigan Water & Power Co.
25	Steel Co. of Canada Ltd.
100	Teck-Hughes Gold Mines Ltd.
	Preferred Stocks
20	Blue Ribbon Corp.
10	Standard Paving & Materials Ltd.

CANADA DRY HAD REDUCED SALES DURING SUMMER

Change in Merchandising Could Not Overcome Depression

Sharp decline in market quotations on stock of Canada Dry Ginger Ale, Inc., that occurred during September has carried the price level down from around 35 to current quotations around 21. According to Standard Statistics, the sales response to the company's new merchandising campaign has not materialized in the volume previously anticipated, due largely to general business conditions.

Sales for June, July and August are stated to have been lower than in the corresponding months of 1930 in contrast to expectations held early in 1931 that the price reductions and the introduction of the 28-ounce bottle would result in a 30 per cent increase in business. Free goods given to dealers, in lieu of cash rebates on stocks held at the date of the price reduction, have exerted a depressing effect on recent volume. Business in the early part of September, however, is said to be somewhat higher than in the same period last year.

The company's fiscal year ends September 30 and, in the opinion of Standard Statistics, earnings will not substantially exceed dividend requirements of $3 per share. The dividend payable October 15 has been declared. The annual report of the company is due in December.

CAN. INTER PAPER BETTER POSITION DURING HALF YEAR

Interim Financial Report Shows Earnings Maintained

From Our Own Correspondent

MONTREAL.—Maintenance of earnings, elimination of bank loan and a strong working capital position, are features of the half-yearly report of Canadian International Paper Co., covering the six months ended June 30 last.

Net revenue available for interest and depreciation during the period amount to $2,191,742. This compares with $2,358,745 for the corresponding period of 1930. The figures for the first half of this year reflect the $5 a ton reduction in newsprint prices, retroactive to January 1, announced in the spring.

Pulp Sales Lower

Despite the price reduction this year, net revenue from the sale of newsprint, available for interest and depreciation, was substantially greater than in the corresponding period of last year. This improvement was, however, offset by lower revenues from the sale of bleached sulphite pulp, to forced lower prices for this commodity and to a sharp curtailment in operation of the pulp mills in the early months of the year.

This year, however, the company placed on the market a new grade of rayon pulp under the trade name of "Kipawa Extra." This new pulp was well received by the rayon industry and Kipawa Mill now has orders on hand from domestic and foreign rayon manufacturers sufficient to assure a satisfactory rate of operations for the rest of the year.

Larger Balance Forward

Comparative statement of income for the first six months ended June 30, of 1931 and 1930 follow:

Six Months Ended June 30	1931 $	1930 $
Net earnings	2,191,742	2,358,745
Less:		
Depreciation	508,306	835,156
Interest, etc.	770,920	782,730
Other interest	591,607	534,051
Bal. to surp.	320,908	206,808

No Bank Loans

At June 30, 1931, the company had no bank loans and no other current indebtedness except accrued interest and paid obligations together amounting to only $1,315,666. Net working capital amounted to over $17,000,000 and the ratio of current assets to current liabilities was over 14 to 1.

Funded debt was decreased $263,000 for the first six months of this year through the action of sinking fund and small maturities, funds for these purposes being obtained from current earnings. The company also retired the entire balance due International Paper Co. for construction advances which, at the end of 1930, stood at $4,831,052.

WESTERN GRAIN TURNS DEFICIT INTO SURPLUS

Earned $8.12 on Preferred Shares — Surplus Increased

Western Grain shows an improved earnings position at the end of the year ended July 31, 1931, as compared with the previous fiscal year with net profits from operations available for dividends and surplus of $162,411, as against a loss of $102,545 in 1930. Surplus carried forward is reported at $263,372 as compared with $188,949 in 1930. Earnings on each preferred share work out to $8.12.

Net earnings from operations in the year just ended amounted to $340,241, after provision for operating expenses, maintenance and repairs. This is in contrast to $77,455 reported in 1930. Bond interest paid is down to $177,830 from $180,000. The company paid three quarterly dividends on the 6½ per cent preferred stock, amounting to a total of $97,500 while in 1930 $130,000 was paid out on this account. The company paid in the past year an additional assessment of the Dominion income tax department for 1929 amounting to $1,076.

The balance sheet includes the operations of the Mutual Grain Co., a wholly-owned subsidiary. Details of the balance sheet are not available as The Financial Post goes to press and will be detailed in a later issue.

In presenting the annual statement C. G. Spencer, president of the company, said that although the company's working-capital position was satisfactory the company had discontinued the payment of preference dividends on July 2, 1931, in view of the uncertainties of the present year due to crop failures in large areas in the West. There had been a substantial increase in volume of grain handled during the year and all possible economies had been made in operating expenses, and the increased volume of grain had been handled at much less cost than in the previous year.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
B.C. Power Corp. "A"	June 30	2,436,816	2,188,194	2.22	2.19	2.00	66,828,538	66,391,722	27	12	7.41
Calgary & Edmonton Corp.	June 30	*85,143	*121,514	.03	.05	...	206,657	121,514	22	..	...
Midland & Pac. Grain	July 31	136,042	135,596	1.02	1.01	†	1,013,360	911,268	..	..	...
Westminster Paper	July 31	21,336	29,018	.46	.63	‡	71,277	49,941	..	..	...

*Being total of balances in profit and loss account and realization account. † 25c declared payable Oct. 1. ‡ 4 per cent stock dividend declared for immediate distribution (Sept. 17).

WEEKLY RECORD OF FINANCING IN CANADA

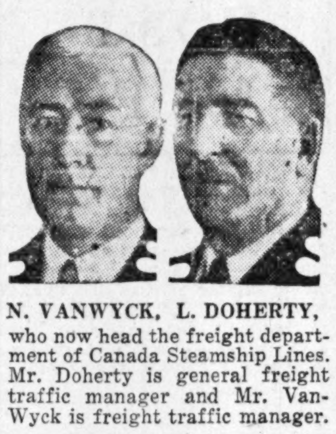
SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
St. Marys, Ont.	Sept.	Stewart, Scully & Co.	5%	15-ins.	$25,000	102.121	4.75%
East Angus, Que.	Sept. 8	Bk. Can. Nationale, Credit, Anglo-Francais	5%	10-yr. ser.	105,000	97.50	5.51%
Ste. Foy, Mun. of, Que.	Sept.	Lagueux & Darveau	5%	20-yr. ser.	55,000	99.50	5.05%
Grand'Mere, Mun. of, Que.	Sept. 9	Bk. Can. Nationale	5%	15-yr. ser.	100,000	99.38	5.10%
Drummondville, Que.	Sept. 16	Provincial Bank	5%	Serial	86,500	99.75	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
Across Canada Trust	Sept.	Stewart, Scully & Co.	Series	10	......	....	...
Can. Improved Coal Corp.	Sept.	Cameron's Ltd.	1,000 units of 1 7% pref. $100 par and 2 n.p.v. common shares at $120.				

Control C. S. L. Freight



N. VANWYCK, L. DOHERTY, who now head the freight department of Canada Steamship Lines. Mr. Doherty is general freight traffic manager and Mr. VanWyck is freight traffic manager.

Will Defer Due Dates of St. Julien Bonds

Subject to approval of 51 per cent of the bondholders of St. Julien Co. which owns the Ritz Apartment in Vancouver, all bond maturities will be extended by three years including those bonds maturing September 1, 1931. In the year ended February 28, 1931, the company had a deficit of $4,223 before depreciation and $23,556 after depreciation and the deficit for the current year is expected to be even larger.

There remains $313,000 outstanding of an original issue of $385,000 7 per cent first mortgage serial bonds dated September 1, 1923. The proposed plan will, it is hoped, avoid the necessity of placing the company in liquidation. Interest payments will be guaranteed by directors of the company up to and including March 1, 1934, but only 5 per cent will go to bondholders and the remaining 2 per cent will be held in a sinking fund for the purchase and retirement of the bonds. In the same period directors agree to pay an additional $8,750 semi-annually into the sinking fund which would bring the amount available for the retirement of bonds during that period to $40,500. The agreement also calls for all taxes and insurance to be paid.

Tooke's Net Off Sharply; Deficit Shown

Tooke Bros. Ltd. had net profit of $40,319 in the year ended June 30, 1931, as compared with $163,185 in the previous year. After charges, net profit amounted to $13,357 as against $118,684 in 1930, while preferred dividends amounting to $68,950 were paid. Further deduction of loss due to inventory adjustment and reserve for depreciation of investments resulted in a net deficit for the year of $128,028 as compared with a surplus of $49,374 in 1930, or $5.70 per share on the common stock.

Working capital amounted to $910,900, down from the $1,051,727 shown last year, while investments are lower by $15,000 at $44,990. Funded debt was reduced during the year by $10,500 to $258,700.

BRAZIL SUSPENDS INTEREST PAYMENTS

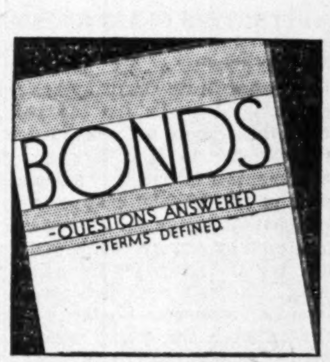
Brazil has announced the suspension of interest payments on its external debt due to adverse conditions of exchange. Final information is not available as to whether this will affect interest payable October 1, on bonds held in the United States and Canada for which sufficient funds are understood to have been deposited in New York.

THE NATIONAL CITY COMPANY LIMITED CANADA

Behind Dominion of Canada bonds stands the total wealth of the nation. In times of hesitation and depression, these bonds yield a dependable income irrespective of investment market conditions and price fluctuations.

The National City Company
Limited
Head Office — 360 St. James Street — Montreal
320 Bay Street TORONTO
85 Sparks Street OTTAWA
65 St. Anne Street QUEBEC
376

If you want to know more about BONDS:



Can You Answer These Questions?

Among sound bonds, why do some yield 4% and others 7% or more?

What are the essentials of a sound investment policy?

Is it advisable to register bonds?

Is there any advantage in buying bonds which are listed on the Exchanges?

How and to what extent can a bondholder borrow money, using his bonds as security?

How are shipments and out-of-town deliveries handled?

These and many other questions about bonds are discussed in this handy book.

EVEN experienced investors frankly confess that they are puzzled at times about bond terminology and procedure. Sometimes they are reluctant to ask questions about simple problems, the answer to which they feel they ought to know.

To meet a real need, we have published the handy booklet here illustrated. This forty-page booklet, now in its eleventh printing, answers the most commonly recurring questions about bonds in simple, non-technical language. Bond terms are defined clearly and concisely. The entire booklet is thoroughly indexed for easy reference.

Experienced investors will be quick to see the usefulness of this booklet. Inexperienced investors will find it indispensable as a guide. A copy of *Bonds—Questions Answered—Terms Defined* will be sent without obligation upon request. Simply write for booklet FP-91.

COMPETENT INVESTMENT SERVICE BY MAIL. For investors living at too great a distance from our offices to be called upon by our representatives, we maintain a competent staff, trained to give as efficient and satisfactory service by mail as could be rendered by personal contact. If you are interested in knowing the details of this service, full information will be sent upon request.

HALSEY, STUART & CO.
INCORPORATED
TORONTO BRANCH OFFICE, 6 KING STREET EAST, TELEPHONE WAverley 3041
CHICAGO, NEW YORK AND OTHER PRINCIPAL CITIES

THE PROGRAM THAT DOES MORE THAN ENTERTAIN Every Wednesday evening you may increase your knowledge of sound investment by listening to the Old Counsellor on the Halsey, Stuart & Co. program. Broadcast over a nation-wide NBC network. Music by symphony orchestra.

WEDNESDAY — CKGW — 9 P. M.

INVESTORS' CHRONICLE
6d Established 1860 6d
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain.

Under the head of "OVERSEAS FINANCE," a weekly feature, the Foreign Exchanges and the factors that affect them are carefully reviewed by cable and mail.

Special Correspondents at all Financial Centres at Home and Abroad.

Signed articles appear in each issue on Economic Subjects.

A free specimen copy will be forwarded on post-card application to:—
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds" It is, therefore, the logical medium for municipal bond sale advertising.

Daily and Weekly Editions.

THE BOND BUYER
Since 1891
"The Authority on Municipal Bonds"
67 Pearl Street New York, N.Y.

Capital: $1,000,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loan
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office — Halifax, N. S.
Saint John, N.B. St. John's, Nfld. Charlottetown, P.E.I.
MONTREAL
212 St. James Street W.

Algoma
A reputation— as well as a name

Algoma Steel Corporation
Limited
Sault St. Marie, Ont.
General Sales Office:
MONTREAL:
730 Canada Cement Building
District Sales Office:
TORONTO:
1206 Northern Ontario Building

THE FINANCIAL POST SURVEY OF MINES
1931
READY FOR DELIVERY SEPTEMBER 30
Issue limited. To insure receiving copy please order at once. Price $2.00

This is the sixth year in succession in which The Financial Post has brought out its Survey of Mines. Each preceding volume has been an accepted success. The average paid circulation over this number of years has been 7,165. It is confidently expected this year's volume will exceed the others in value.

The Survey of Mines is the only complete record of mining activity in Canada available in permanent form. It is a vivid compilation of facts relating not only to the industry in a broad sense, but to the various companies that together form that industry. It is a reference volume for everyone interested in the great and growing mining industry, whether as an operator, mine executive, financier or investor. It holds its place as the one authoritative reference volume on the desks of all those whose interests, either directly or indirectly, touch the mines.

This year companies will be covered in an even more complete manner than formerly; of producing companies there will be full record of production, earnings and dividends, complete record of financial structure and history, also details as to personnel and directorate.

Companies under development will be fully covered with present status of operations, together with names of all officers and directors.

A much more complete list than ever before published of dead and dormant companies will have a place.

A list of leading mining engineers, geologists and mine managers is to be included.

THE FINANCIAL POST,
153 University Ave., Toronto.
I enclose $2.00. Please send me postpaid a copy of The Financial Post Survey of Mines, 1931, as soon as it is published.
Name
Address
799

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Editor—FLOYD S. CHALMERS

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

ADVERTISING RATES

Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1. E. J. Dodd, Director.

THE FINANCIAL POST BUSINESS YEARBOOK. Yearly, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.
THE FINANCIAL POST SURVEY OF MINES. Yearly, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, SEPTEMBER 26, 1931

NOT THE RIGHT MAN FOR TARIFF BOARD

FROM Ottawa comes a rumor that Hon. W. H. Price, attorney-general of Ontario, will head the new tariff commission to be appointed by Prime Minister Bennett. Such an announcement would not arouse any enthusiasm in industrial or financial circles. What business men would like to see on the tariff board is a man of broad experience and understanding of practical business. Col. Price's experience has been confined almost entirely to law and politics and while he has shown considerable ability in both directions, particularly in the latter, he has few of the qualifications necessary for the chairmanship of the tariff board.

Nothing will stultify the tariff board and make its work ineffectual as quickly as turning it into a political machine to be made up of those who have rendered purely party service.

SHOULD RAIL ENQUIRY STUDY G. T. R. CLAIM?

IT NOW seems probable that a royal commission will be appointed to study the national railway problems of Canada. These problems are serious and manifold and the commission will have much work to do. It will probably look into the finances of the Canadian National Railways; survey the relationship between our present railway accommodation and the needs of the country; project the possible traffic increase over a term of years; study the question of truck and bus competition; and make recommendations regarding the reduction of railway expenses in Canada through co-operation between the two major lines.

With such a task laid out for it the commission will have few spare moments, and one hesitates to suggest additional duties for it. Nevertheless, there is one unpleasant situation overhanging Canada's railway relationship that should be cleaned up. This is the position of the Grand Trunk stockholders.

In the opinion of many people in Canada the Grand Trunk affair is a closed chapter in our railway history. Their feeling is that the arbitration commission disposed of that affair when it declared the Grand Trunk stock to be worthless. Nevertheless, an insistent propaganda, having an important effect upon Canadian credit abroad has been carried on in England over the term of the past ten years arguing that the stockholders were not fairly treated. A strong prima facie case that the treatment was thoroughly fair has been made out but it must be said that it is not often difficult for a loser in arbitration to find technical points to quarrel with. It would be highly desirable in the interests of Canadian credit and it would facilitate the future reorganization of the Canadian National Railways to have the Grand Trunk affair finally disposed of. The Financial Post has previously suggested that to permit the Grand Trunk stockholders to bring action against the government of Canada in the courts would provide the final test of their claim. If they lost there would be no more for them to say.

Would it not be a good idea for the government to authorize the royal commission on railways to hear the representations of the authorized representatives of the Grand Trunk stockholders and to comment upon them in its report indicating whether or not the government would be justified in putting the country to the expense of defending their legal suit?

C. N. E. USED TO PUSH BIG NAVY IDEAS

THE deservedly high esteem in which Admiral of the Fleet Earl Jellicoe is held throughout the Empire for his invaluable services during the Great War should not blind us to the fact that in the numerous speeches which he made while on his brief visit to Canada there was much big navy propaganda which left a profound effect. Retired navy and army officers are notoriously bad advisers on the subject of disarmament. Trained since childhood in the school of war their conception of "security" is based on the thought of being more powerfully equipped than their neighbors. In all sincerity they are lead into inaccuracies of statement in the patriotic desire to attain this objective.

Earl Jellicoe is no exception. The following press despatch from Toronto during the meeting of the British Empire Service League of which he is president, is significant:

> "In accord with the declaration of Earl Jellicoe last night that Britain was the only nation which was disarming, the league today passed a resolution urging disarmament upon the other nations of the world. The resolution read as follows:
>
> "'That the fifth biennial conference of the British Empire Service League, representing all ex-service men of the empire, hereby affirms its steadfast support of all legitimate and proper means for the maintenance of world peace. To that end it expresses the earnest desire that the forthcoming disarmament conference to be held under the auspices of the League of Nations, other nations will follow the example set by the British Empire and contribute to a general limitation of armaments by reducing their armaments to the lowest point compatible with their responsibilities.'"

After the rounds of enthusiastic applause which followed Earl Jellicoes' statement of Britain's position it may sound a jarring note to suggest that the resolution passed by the British Empire Service League is not consistent with the facts. The resolution refers to the example set by the British Empire. If the British Empire is treated as a unit we find that in the last fiscal year the combined naval, military and air expenditure was higher than that of any nation in the world, reaching the impressive total of $731,814,965. Next in order came another nation which has been consistently urging for some year that Europe follow their peaceful example—the United States with an expenditure of $707,425,000. France and Italy with expenditures of $466,980,000 and $248,946,500, respectively, are really some distance in the rear.

While there are many explanations of the British expenditure such as the necessity of maintaining a costly army in India which do not apply to the United States, the simple fact remains that "the example set by the British Empire" is not yet a very happy augury for the success of the World Disarmament Conference meeting next year.

That all-important conferences can only succeed if the facts are faced honestly no matter how unpalatable they may be and if the facts are to be understood by the rank and file, the utterances of public men in Britain and the United States still require a tremendous amount of debunking.

Earl Jellicoe's visit was clever Big Navy propaganda and its effectiveness as such was heightened by the fact that the president of the Canadian National Exhibition, which Earl Jellicoe came to open, was this year Sam Harris. Mr. Harris as head of the Navy League of Canada, is the best friend the munition makers have in Canada.

Directors of the Canadian National Exhibition should have been on their guard against their institution being used for such insidious propaganda. One finds it difficult to regard it as a mere coincidence that the C. N. E. should have been used for Big Navy propaganda in the year when the president of the Navy League was also the C. N. E. president.

INDUSTRY MUST SOLVE UNEMPLOYMENT

THE striking radio address of Gerard Swope, president of the General Electric Corporation, the other night, indicated the attention that is being paid by leaders of industry to the problem of stabilizing employment. If industry is to avoid the dole it must find within its own resources the means of keeping unemployment at a minimum and of contributing during periods of unemployment to the incomes of jobless workers. At the same time it must do this work without eliminating the incentive for thrift which causes large numbers of workers to prepare themselves against emergencies.

The most definite plan for the stabilization of employment that has been in force for a number of years is that of the Dennison Manufacturing Company of Massachusetts, who schedule their production operations not only seasonably but years ahead to provide against lay-offs.

A more recent plan that combines unemployment insurance was put into force some time ago by the Eastman Kodak Company, of Rochester, and has since been adopted by eighteen other large concerns in that city. This plan, going under the name of the Rochester plan, provides for undertaking repair work and building operations during periods of slack business for the introduction of new lines and the adoption of new sales policies to stimulate turnover in such periods, for reducing working hours so as to spread work over the entire staff, and for building up inventories in off seasons.

At the same time, the companies that have entered the scheme have undertaken to establish from their annual profits reserves to provide for the payment of partial benefits to employees if they should at any time have to be laid off because of slack business.

It should be noted that the plan has already been put into force in Canada by the Canadian Kodak Company, which last April announced that it would start at once to accumulate such reserves as were necessary so that benefits could be paid if necessary beginning in 1933. S. B. Cornell, president and general manager of the Canadian Kodak Company, has already been doing some good missionary work among other manufacturers in the Toronto area in an endeavor to induce them to adopt similar plans.

The unemployment reserve fund that Canadian Kodak Company is building up will be established entirely at the cost of the company, although there is an emergency provision that in a prolonged period of unemployment those workers who continue at their jobs may be called upon to make contributions of one per cent of their earnings to bolster up the fund in which case the company would increase its regular contribution to a similar extent.

In announcing the plan to his employees Mr. Cornell stated: "Since the benefits provided under the plan are less than the full earnings and are to be paid during a limited period, the workers will still face a reduction in income during unemployment. It will still be necessary, therefore, for each employee to practise thrift and to save from his earnings during prosperous times in order to build up a personal reserve fund which may be used by him in time of unemployment or need from other causes."

The basic theory of all these plans is that if industry is to avoid governmental intervention and government unemployment insurance schemes, it must itself co-operate with its workers to prevent a recurrence of the serious economic loss and personal suffering that is involved in such widespread unemployment as now prevails.

NO SUBSTITUTE FOR GOOD MANAGEMENT

UNITED GRAIN GROWERS has just declared a dividend out of its profits of the past year. Reliance Grain Company has reported a good profit for the year. The wheat pools are still in debt $25,000,000 to the Western governments although they made advances on the 1929-30 crop of only $1 a bushel as against the average price paid by private companies to farmers of $1.34½ for the same period.

There is no substitute for good management. If the comparison between the wheat pools and the private companies does not provide all the proof a skeptical reader may ask, one may quote the contrast between the losses of one private company, Alberta Pacific Grain in its previous fiscal year and in its year just closed. Bad management cost it millions a year ago; good management has recovered part at least of the loss in the past year.

HOW DEPRESSION HITS THE FARMER

FIGURES that throw considerable light upon the plight of the farmer have been published by the United States Department of Agriculture. Generally speaking, they may be taken as reflecting the conditions that the Canadian farmer, as well as his American brother, faces.

That prices of farm products have fallen to a far greater degree than the prices of the commodities the farmer buys for living or for the equipment of his farm is beginning to be recognized. Some Canadian figures along this line have already been published in The Financial Post. The American figures supplement the record.

Taking the immediate pre-war hundred as a base of 100, the price index of all commodities now stands at 102. The prices paid by farmers for the commodities they buy now stand at 127. The index of farm prices is now 75 and runs as low as 54 in the case of grains. Putting all these figures together one arrives at the figure of 59 which represents the ratio of prices received to prices paid. The farmer's relative purchasing power today (measured by pre-war standards) is 59 per cent of what it should be.

This explains most of the farm distress, the curtailment of farm living standards, the breakdown in normal buying of farm machinery and the living off capital.

True, farmers have had some measure of prosperity during and following the war. Between 1914 and 1920 the index of relative farm purchasing power ranged between 95 and 118—the peak year, 1917, showing it to be just double the present figure.

In the meantime, industrial wages have advanced and held most of their advance. Industrial wages, despite a ten per cent average drop since 1929, still stand at 107 per cent of pre-war figures, while the farmer's "wages" has been cut by 41 per cent.

Industrial wages can not be brought down to pre-war standards. On the other hand, we can not count on a rapid restoration of farm buying power even to pre-war standards much less to their former peaks. But if farming is to continue as a great basic industry and farm buying power is to be restored a point nearer to equilibrium must be found. What is happening in this present period of depression is that this point of near equilibrium is being reached by the operation of resistless economic laws. Industrial wages are tending downward.

EDITORIAL NOTES

The new president of the Canadian Chamber of Commerce Col. Walter L. McGregor, is not as widely known in Canada as he should be and will be. Canadian business men, when they come to know him as his business friends in the Border Cities know him, will undoubtedly have a high regard for him. He is a brother of the late Gordon McGregor, who founded the Ford Motor Company of Canada.

POST-scripts

A WRITER in Printers' Ink recalls some verses from "Gilbert and Sullivan's operetta, "The Gondoliers," first produced in 1889, to prove that the modern habit of inducing "prominent" persons to sit on directorates of stock-selling companies or to write (for a fee) testimonials for particular products, is not so very new after all. Here are some of the verses:

Duke
I sit by selection
Upon the Direction
Of several Companies' bubble.
As soon as they're floated
I'm freely bank-noted—
I'm pretty well paid for my trouble!

Duchess
I write letters blatant
On medicines patent—
And use any other you mustn't.
And vow my complexion
Derives its perfection
From somebody's soap—which it doesn't.

WE SEE by the ads. in the papers that Constance Bennett, the movie star, just loves a certain brand of Canadian cigarettes. She smokes them all the time and thinks there's nothing like them anywhere else. This adds another famous American to the list of those who have endorsed this particular brand of Canadian fags.

These testimonial advertisements explain something that has always been a mystery to us. Every year a small quantity of Canadian cigarettes are exported to the States. In the last fiscal year, for example, we shipped 144 pounds of cigarettes valued at $195 to the United States. We always wondered where they went, especially as cigarettes are so much cheaper across the border. Now, of course, we know. They go to a select few persons of screen, stage or sporting prominence who can afford to pander to their private tastes by importing Canadian cigarettes even when it costs them more money to do that than to smoke their home-made product.

The traffic does not aid our balance of trade very much, but it's all clear profit and we're for it. If the movie stars prefer to "reach for a Bucky" we have no objections.

Judging from the ads. the cigarettes are divided up among quite a few different people. That means that each one only gets a small ration each of that $195 worth. It is comforting to know that these celebrities are so moderate in their smoking.

ONE of the larger and more progressive dailies of Canada has analyzed the contents of its editorial columns for the benefit of advertisers. The division of space in the average issue is as follows:

Features 82 columns.
Local news 22 columns.
Wire news 17 columns.
Business and financial 15 columns.
Editorial 5 columns.

This is the modern newspaper. More space is devoted to such features as comic strips (13 of them every day), syndicated cross-word puzzles, health articles, housekeeping stories, etc., than to all other material put together, including news. There are eleven members of the staff engaged in writing on sport and three in writing the main editorials.

The Post-Scripts column publishes this information not by way of criticism but to indicate what the modern newspaper has become. Apparently the public likes the newspaper in question for its circulation has doubled since the war.

Formerly daily newspapers fought hard to get the news; to get scoops on their competitors. Now there is greater joy in the circulation manager's office when exclusive rights are obtained for a popular comic than when the news desk gets first wind of a well flavored murder. It is more important to describe Baldwin's pipe than Baldwin's policy; it makes a better story to tell about a hard luck war veteran out of work than to discuss the fundamental world conditions that put him among the unemployed.

Nevertheless the New York Times and the London Times continue to emphasize the news. Their circulations are not at the top of the list but their influence is.

NOW that steam shovel watching in Montreal has declined to a low point due to progress made with construction at the C. N. R. terminal site, it is not unusual that the appearance of a large eagle in the heart of the city has attracted the attention of those whose chief pastime is "just looking." While the bird confined its original activities to the east end; St. James Street was agog last week with the report that the king of birds had taken up a position on the topmost pinnacles of the Royal Bank. Board rooms were emptied; quotations were neglected; St. James Street was a sea of faces staring upward. Spectators eventually were rewarded by the novel appearance of a bald head sticking out of the pent house window; unfortunately it was human and the eagle failed to materialise.

This, however, was not the end. Just as business was about to resume its even, or uneven, trend the word was spread that the eagle was definitely to be seen on another skyscraper—the Bell Telephone Co. building. Immediately the crowd transferred its activities to that point and there, sure enough was what appeared to be a large eagle. Excitement ran so high that barbers left their clients half shaved to view this amazing sight and all agreed that it was a most astounding occurrence. Evening newspapers, however, shattered the illusion with the statement that when men, armed with revolvers, had approached the quarry they found themselves confronted with a ventilator on the roof which strongly resembled a bird in profile. Like the end of the depression, Montreal's eagle still seems to be just around the corner.

"Stop Me If You've Heard This One"

Client—I chose a suit for $25, but you have charged me $26 on the bill.

Tailor—Yes, I have added the postage for the threatening letters I shall have to send.

Control of Expenditures Aim of Bennett's Plans In Force October First

From Our Own Correspondent

OTTAWA. — Far-reaching reforms in the control of Federal government expenditures are now being worked out by Rt. Hon. R. B. Bennett, acting Minister of Finance, and the new system of supervision and auditing will come into operation probably on October 1.

Appointment of a Comptroller of the Treasury, the official destined to be the central figure in the new system of financial control, may be delayed, but the system proper will be applied. Pending the appointment, the accountants of the Finance Department will carry on the work. Delay in selecting a man for the job of Comptroller is the result of two facts. Mr. Bennett is over-loaded with work and has not been able to give as much attention as he desired to do, to the administration end of the Finance Department. Further, a suitable man for the job is not readily available. Mr. Bennett will not act hurriedly in making his appointment, so that some delay is inevitable.

Reforms Grow in Force

Nevertheless, the reforms authorized by statute last session will be achieved at once, and within a few weeks a profound change for the better should be apparent at Ottawa. For the first time in the history of the country an efficient, business-like check upon expenditures, prior to their being incurred, will be maintained and, also, a thorough audit of all government business will be assured.

It may come as a surprise to business men, but the fact is that there has never been a thorough supervision of government expenditures, nor an efficient audit. This is true notwithstanding the huge volume of government expenditures, more than $400,000,000 per year. The system of financial control in operation in 1930 was almost the same as in 1880, although the government in recent years had been spending as much money in one month as used to be spent in a year. The supervision and auditing have not kept pace with the expansion of public business. A system which no doubt worked satisfactorily forty years ago has been woefully inadequate and inefficient in modern times.

Fault Lies With Law

The fault, if any, has not lain with the Auditor-General or his staff of auditors, but with the law. Until the amendments of 1931, the Consolidated Revenue and Audit Act has been almost a barrier to efficient business control, hedging the Auditor-General about with restrictions and limitations of power. And as for supervision of expenditures prior to their being incurred, there really has been none.

The Canadian Consolidated Revenue and Audit Act was modelled on the British statute of 1866, and enacted at Ottawa in 1878. There were few important changes from that date to 1930, although the volume of government business increased twelve times over.

The method followed under this old statute was unique in its inefficiency and costliness. All expenditures, of course, must be voted by Parliament, but once these appropriations were voted, each department applied to the Treasury, through the Auditor-General, for a letter of credit. It was the business of the Auditor-General to see that an appropriation had been passed and then to recommend the granting of the letter of credit. Once this letter was received, the department lodged it in the bank of its choice and proceeded to spend it, without let or hindrance. Very frequently monies were switched about, within a department, and it was inevitable that the total departmental credit would be overspent. The switching of monies, of course, is an improper thing to do. It meant that Parliament's control over expenditures, as within a department, was more nebulous than real. Parliament might give a department $1,000,000 divided in a certain way under 20 appropriations. For example, the minister might have desired $200,000 for item A, and $400,000 for item B. But Parliament might have refused to give him more than $100,000 for the first time, although granting the second. Yet, in due course, the department would get its letter of credit for $1,000,000 and the money would be spent pretty much as the minister pleased. He could cut down item B, and increase item A, although Parliament had determined otherwise. One year later the Auditor-General might be authorized to make an audit, discover this flouting of Parliament, but would be unable to do more than register a complaint. Meantime so much legislative water would have flowed under the bridge, that Parliament would not have time to turn back and reprimand the minister.

Paid All Bad Debts

The over-spending of appropriations at Ottawa was notorious. A department might be granted $1,000,000 by Parliament under various specified headings, but would actually spend $1,100,000. The department would pay by cheque the $1,000,000 of accounts and stand the other $1,000,000 over till the next year. The unpaid bills would then be paid out of the new appropriation, without anyone being much the wiser. At the end of the second year the accumulation of unpaid bills would be larger, and so on. One of the first things Mr. Bennett did upon assuming control of the finance department was to gather in all these unpaid debts and pay them by a special supply bill, put through Parliament last spring. The sum total, at that time, was about $15,000,000, indicating the degree to which these improper methods had been practised.

There was yet another glaring weakness in the old system. The Government, the Treasury Board and the Minister of Finance could never obtain the remotest idea of what the financial position of the treasury was at any given moment. They would know how much money Parliament had voted, and how much revenue had been received, but could form no estimate of how much of what had been voted had actually been spent, the extent of future commitments. In these circumstances, the enforcement of economy policies to meet situations as they arose was impracticable. About all a Minister of Finance could do was to write notes to his colleagues urging them to stop spending money, to argue with them personally, or to preach vigorously at cabinet meetings. And there was, about these methods, a futility which drove some of our finance ministers into retirement—broken in health, nervous wrecks. About the only chance a minister of finance had to cut expenditures was once a year when the estimates were being prepared. Apart from this, the various ministers had a free hand. Obviously, the business of government, like every other business, if it is to be carried on efficiently must be susceptible of quick changes in financial policy. When revenues shrink, a minister of finance should be able, it is felt, to eliminate non-essential expenditures at once and thus avoid large deficits with consequent increases of taxation or public debt.

Was Expensive System

The cost of the old system, despite its inefficiency was very great. Each department maintained a separate staff of accountants and bookkeepers. The duplication of accounting services was as widespread as it was costly.

Under the 1931 statute, reforms both in the control of expenditures before they are made, and in the subsequent auditing of government business have been made. For the first time in our history, the financial affairs of the government have been placed upon an efficient business basis. For these reforms the entire credit is due Rt. Hon R. B. Bennett. In amending the statute, of course, he met with no opposition either in Parliament or out of it, but until he took hold of the finance department no one seems to have had the patience and persistence necessary to put over a change of such far-reaching importance.

The 1931 amendments fall into two sections. In regard to the auditing of government accounts the only change is this, the Auditor-General is now freed of all limitations and is empowered by statute to make a complete check up on any or all departments or government activities. He is no longer given anything to do with expenditures before they are incurred; he is not the channel through which credits are advanced to various departments.

It is in regard to control of expenditures, however, that the most important changes have been made. The old letters of credit have been abolished. Departments, hereafter, are not to have control of their bulk votes, are not to be able to switch appropriations around as

(Continued on page 9)

Canadian Government
Provincial, Municipal
and
Corporation Securities

R. A. DALY & CO.
LIMITED
80 KING STREET WEST
TORONTO

Service that Endures

A recommendation of a security to a new client is our first step in a service that will suggest a permanent business relationship.

Our 40 years of investment experience is available without obligation.

Address our nearest office.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

Conclude Satisfactory Season

One of the most satisfactory pulp peeling seasons the Province of New Brunswick has ever experienced has just closed. Conditions during the summer were remarkably good, the season opening earlier and closing later than usual.

CHASE & SANBORN'S COFFEE
Canada's favorite for half a century
A quality product of
STANDARD BRANDS LIMITED
HEAD OFFICE: MONTREAL
A Canadian corporation operating Canada's largest fresh food delivery system
MANUFACTURERS AND DISTRIBUTORS OF
Fleischmann's Bakery Products • Fleischmann's Yeast for Health
Magic Baking Powder • Gillett's Lye • Royal Yeast Cakes
Chase & Sanborn's Tea and Coffee

The BIGGEST COOK in Canada . . . tackles his biggest job!

Crawley & McCracken Co., Limited to Feed Upwards of Ten Thousand Trans-Canada Highway Workers

Canada's biggest cook now undertakes his biggest job . . . the feeding of more than ten thousand men in the Ontario Government organized work camps in connection with the building of the new Trans-Canada Highway in Northern Ontario . . . linking up Old Ontario and Quebec with the great Middle West.

This is an emergency measure—a united effort to cope with the unfortunate situation presented by the lack of employment and an admittedly difficult industrial situation. Crawley & McCracken appreciate this opportunity of assisting in this effort in the same spirit as they and other organizations have in National emergencies in the past. They are happy to co-operate with the Government in this project.

The engineers in charge of this vast construction programme will be relieved of all worry and trouble usually incident to the feeding and serving of meals and the equipping of sleeping quarters for this vast army of workers. Good, wholesome, varied food is bought at quantity prices, the supplies being purchased whenever possible from local sources, and will be distributed through our warehouses to the construction camps along the new Trans-Canada Highway, there to be prepared and served by our own trained cooking and waiting staffs. Due to our widespread and efficient organization, this service is supplied at a cost which is greatly lower than that which would necessarily follow if this work were handled through any less experienced or equipped organization.

Crawley & McCracken Co., Limited, have grown up in the North Country. Starting in Sudbury in 1914 they have grown and developed with the development of New Ontario. Over a period of seventeen years they have boarded thousands and thousands of men engaged in railway work, mining, lumber and paper industries.

Communications are invited from any Corporation or Administrative body having a Feeding Problem.

CRAWLEY & McCRACKEN
COMPANY, LIMITED
SUDBURY, ONTARIO
TORONTO - PORT ARTHUR - LONDON - MONTREAL

Business Conditions in Canada

The Week in Business

Common Sense at a Premium "Business as Usual" Clearly Indicated

DURING the early days of the Great War when all countries of the Empire found themselves suddenly off the gold standard, an outstanding Canadian industrialist was "commandered" by one of the leading banks and for several days while technically-trained financial men were still getting their bearings, it is said, he adminstered the foreign exchange department of that bank with amazing skill and success, simply by using common sense and by his ability to make quick decisions based on sound business judgment.

Here is a valuable clue to the present situation as far as Canadian business men are concerned, in that it shows clearly that common sense and sound business judgment, quite as much as the technical knowledge of the economist or the financial expert, are necessary in the handling of a situation such as has developed during the past week.

* * *

WHAT Canadian business men are, of course, interested in is the effect on their particular business and on the trend of business generally of this far-reaching step taken by Great Britain last Sunday. Primarily it must be regarded as a step taken to prevent that country from being smothered in a hopelessly involved international tangle, and to restore business confidence. Its long-term implication is that it will cause the entire question of the gold standard as the centre of the world's monetary system, to be brought once again into review.

More immediately it should tend to restore business confidence by proving at least a temporary stimulant to British exporters although obviously hampering the imports of goods (including Canadian wheat) into that country. Any good effects it might have of course would be immediately undermined if general lack of confidence were to develop and sterling were to continue to drop beyond an anticipated discount of say between 10 and 20 per cent. No such action is expected, however, if individual businesses continue to exercise ordinary judgment and common sense in the carrying on of their affairs, nor would there seem to be any need for or probability of Canada going off the gold standard herself unless subsequently a general change of this sort were to be made after due and deliberate consideration by the leading monetary powers of the world. "Business as Usual" would clearly seem to be indicated as far as Canadian, and for that matter all business men are concerned.

CUSTOMS REVENUE LOWER BY 17 P.C.

Treasury receipts from income taxes, customs duties and excise taxes and duties for the first five months of the current fiscal year were 18.85 per cent below the total for the corresponding period last year. Income tax collections at $47,768,778 showed a decrease of $15,261,377, or 24¼ per cent. The net change in customs and excise revenues was a drop of 15.6 per cent, the current year's total of $88,571,537 comparing with last year's $104,995,113.

Net customs duties, after refunds and drawbacks, were 20¼ per cent lower at $47,792,720, while excise duties were down 17 per cent to $22,238,196. Excise taxes, on the other hand were fractionally better this year than last, increasing a little more than two per cent to total $18,105,034 for the five months under review.

RSC INVESTMENT SERVICE

Government, Municipal Public Utility and Industrial Issues

We shall be pleased to submit current offerings and information upon request.

Royal Securities Corporation
Limited

244 St. James Street
MONTREAL

330 Bay Street
TORONTO 2

Offices in principal cities throughout Canada

N-18

Two Reasons

why you should be a regular subscriber

1. You cannot afford to miss reading each issue during the coming year. Articles of vital interest to Business men and Investors will be published, which will alone be well worth the subscription price of $5.00.

2. As a subscriber—
You are entitled to a personal reply from the Investment Editor regarding any Canadian Investments in which you are interested.

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please send me The Financial Post for the next year (52 issues), this to entitle me to obtain by letter, a personal reply from the Investment Editor to enquiries regarding any Canadian investments in which I may be interested by simply supplying a stamped return envelope. I enclose $5.00.

Name ....

Occupation ....

Address 801

CONTINUED LAG SEEN IN RETURNS OF INCOME TAX

Five Months Collections Analyzed by Districts

Income tax receipts for the first five months of the current fiscal year, show a reduction of 24.2 per cent when compared with 1930-1931, a decrease of over $15,260,000 being revealed by the total of $47,768,778. All districts shared, to varying degrees, in the general decrease excepting only Halifax, where collections of $660,877 showed an increase of nearly $98,000, or over 17 per cent more than last year.

The average reduction, taken over the whole Dominion, remains practically the same as for the first two months of the fiscal year, as analyzed in The Financial Post on June 25. Changes in the position of collections in the various districts since that time are denoted by the third and fourth columns of the table appended.

It will be noted from this that Halifax has still further improved upon its earlier increase in collections, while receipts from the Kingston and Belleville districts have also substantially improved their position from the showing of three months ago. Other districts to improve their position to any important extent since May 31, are Charlottetown, Saskatoon and Vancouver.

Income Tax Collections, By Districts
For Five Months to Aug. 31

Districts	1931-32 $	% Decr. for 1st 5 mos.	% Decr. for 1st 2 mos.
Charlottetown ..	29,531	18.7	22.5
Halifax	660,877	*17.3	*13.6
St. John	394,151	15.7	11.4
Quebec	757,869	24.5	24.8
Montreal	15,828,496	20.0	18.6
Ottawa	2,203,144	8.5	6.5
Kingston	117,344	24.9	53.7
Belleville	235,286	48.9	60.5
Toronto	13,230,006	21.1	21.8
Hamilton	3,791,744	26.3	27.1
London	3,948,542	33.8	30.6
Ft. William	148,319	44.8	48.0
Winnipeg	1,622,642	45.9	45.1
Regina	106,083	79.3	80.0
Saskatoon	122,090	37.0	39.2
Prince Albert ..	32,220	29.0	22.5
Calgary	1,050,034	26.1	22.4
Edmonton	321,986	16.4	9.2
Vancouver	3,162,323	28.4	31.0
Yukon	8,543	57.4	40.9
Head Office	3,048	27.9	40.4
Total	47,768,777	—24.2	—23.8

* Increase.

Regina Still at Bottom

Regina district is still almost 80 per cent behind last year's receipts for the period, while Saint John, London, Prince Albert, Calgary, Edmonton and the Yukon districts have slipped back from the percentage recorded for the first two months of the fiscal year.

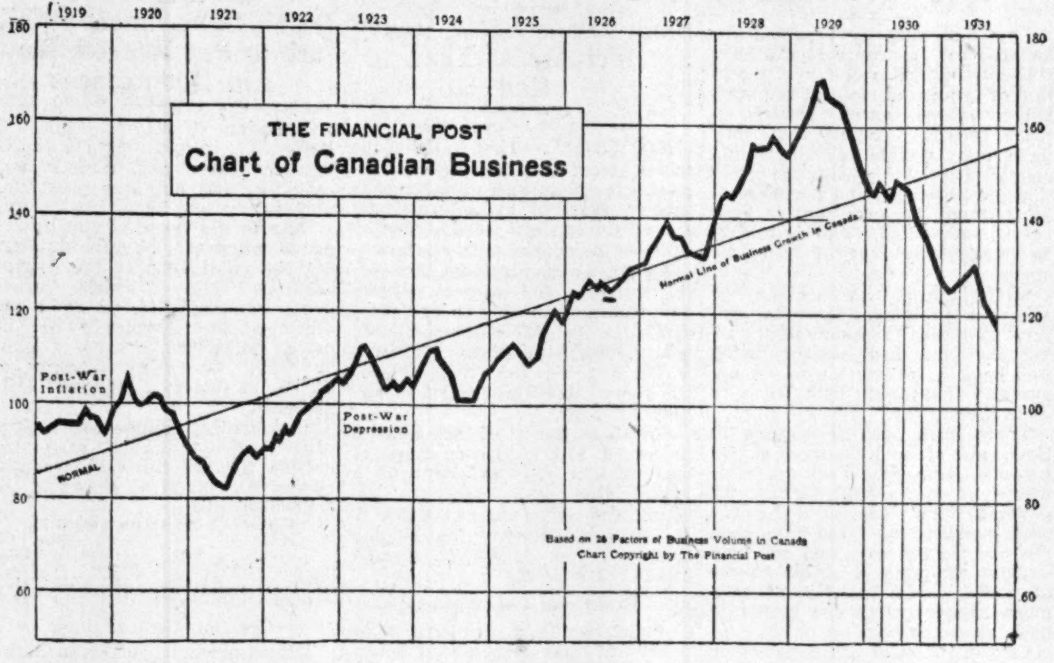
Business Briefs

Car Loadings for week ending Sept. 12 totalled 50,025 cars, about 6 p.c. lower than previous week and 35.3 p.c. less than same week last year. Cumulative total to date at 1,782,013 cars is 20¼ p.c. lower than same period 1930, all classifications sharing decrease, largest being pulpwood, down 45.8 p.c., ore down 44.8 p.c., lumber and other forest products down about 34 p.c. Grain shipments 7 p.c. lower.

Butter Production in Canada for seven months to July 31 showed an increase of over 25¼ million pounds, or 15½ per cent, compared with same period 1930. Ontario showed an increase slightly higher than average, while Saskatchewan output was 35½ p.c. over last year's figure.

Wheat Stocks at Sept. 11 at 102,337,225 bushels showed an increase of 2,558,955 bushels over previous week, and compares with 118,743,059 bushels at same date last year. Other grains on hand, at 31,297,846 bushels, were 695,794 bus. heavier than previous week, and compares with 43,281,012 bus. at same date 1930.

Mixed Trend in August Data



The level of business after seasonal adjustment has been lower in the last three months, a new low point on the present movement having been shown in August. The building industry showed recession and base metal mining measured by the exports of metal was at a lower level. Newsprint output showed considerable contraction and carloadings declined four per cent after adjustment. Gold shipments from Canadian mines showed expansion, however, and imports of raw materials for use in manufacturing were well maintained with marked gains in wool and crude petroleum. Steel ingots were produced in greater volume and the motor car industry was more active.

Some Gains in August Though Index Declines

Gold Shipments, Motor Industry, Raw Material Imports and Employment Show Improvement—Other Factors Off

By SYDNEY B. SMITH

Industrial operations in Canada showed recession in August from the moderate level of the preceding month. While the general position was less favorable, gains were in evidence in a considerable number of industries. The Financial Post business index, computed from 26 factors of importance, was 119.1 in the month under review compared with 123.5 in July. As the index showed three successive declines from June to August, a new point in the present movement was reached in the latter month.

Business conditions in Canada are greatly dependent on the crops and the partial failure of the wheat crop combined with the extremely low prices obtainable for agricultural products, has detracted from the outlook during the current crop year. Another factor influencing conditions here is the trend of industrial operations in other countries especially in Great Britain and the United States. The lack of developments pointing to economic revival in the near future in either of these countries tends to hamper the return of prosperous conditions in this country.

Some Gains Made

While the general tendency in August was reactionary, it should not be overlooked that some important gains were registered. The breaking down of the index into its components reveals a number of striking changes, some of them of an encouraging character. The further expansion in gold shipments from Canadian mines was one of the pleasing features of the month. Favored by the decline of wholesale prices which creates a difficult situation for so many groups, the gold mining industry of Canada has shown marked expansion in the last two years. A new peak on the present movement was reached in August when receipts at the Royal Mint and exports were in excess of 221,000 ounces for the first time. The gain over July after seasonal adjustment was no less than 14.5 per cent.

The evidence presented by the iron and steel industry was mixed in that the production of steel ingots showed a considerable gain over July, while the output of pig iron was drastically contracted to a new low point for a number of years. Steel production in August showed a gain of 13.5 per cent after seasonal adjustment while the output of pig iron was not much more than half that of the preceding month. The automobile industry was slightly more active in August than in July contrary to the normal tendency of the season. The output was 4,544 units, a gain after seasonal adjustment of 9.6 per cent.

Raw Materials Imported

The imports of raw materials continued in substantial volume, gains being recorded in some of the important lines. While imports of raw cotton at 4,754,000 pounds was at a moderate level, a gain of 2.6 per cent was shown over July. Imports of wool for further manufacture amounted to 846,000 pounds compared with 692,000 in July, a gain of 34 per cent after the usual adjustment. The imports of crude petroleum indicate that the demand for gasoline has been well maintained during the season. Imports in August were 106,065,000 gallons compared with 98,145,000 gallons in July, a gain of 7.5 per cent. It is also noteworthy that August was the sixth consecutive month in which the imports of crude petroleum were greater than in the corresponding months of 1930.

The showing of general employment has been surprisingly good during the recent months. It is true that highway construction undertaken by the provincial governments partly with the intention of relieving unemployment has played a large part in the maintenance of a substantial level of activity, but the fact remains that after seasonal adjustment the index of industrial employment has shown gains at the first of September as well as at the first of August. Considerable highway construction was in progress in Quebec during the latter part of the summer, counterbalancing losses in other directions.

Among the reactionary features of the month may be counted the curtailment in the shipment to external markets of copper and nickel, indicating the lower level of activity in base metal mining. Exports of copper were reported at 5,512,000 pounds compared with 7,373,000 pounds in July and nickel exports of various classes were 3,678,000 pounds compared with 5,464,000 in July.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1 to date 1931	1930
C.P.R. Gross Earn. (Sept. 14)	$ 2,966,000	$ 4,955,000	$ 99,197,000	$ 125,489,000
C.N.R. Gross Earn. (Sept. 14)	$ 3,651,220	$ 5,022,666	$ 125,093,546	$ 157,521,526
Car Loadings (Sept. 12)	50,025	77,356	1,782,013	2,284,675
Common Stock Index (Sept. 17)	67.7	135.2	....	....
		Monthly		
Production—				
Pig Iron, tons (July)	40,303	64,676	339,525	515,862
Steel, tons (July)	45,097	68,424	506,974	705,087
Newsprint, tons (August) ..	165,124	202,043	1,486,823	1,706,562
Automobiles (July)	4,220	10,188	70,805	120,878
Boots and Shoes, pr. (July)	1,456,822	1,414,872	10,435,799	10,187,455
Flour, bbls. (July)	1,319,008	1,435,970	7,967,781	8,644,196
Mineral Production—				
Gold, oz. (June)	233,300	175,480	1,263,303	976,057
Silver, oz. (June)	2,153,000	3,104,000	11,770,929	13,222,672
Nickel, tons (June)	2,175	4,292	20,345	27,555
Copper, tons (June)	11,865	13,049	76,638	78,768
Lead, tons (June)	12,337	14,446	81,062	86,102
Zinc, tons (June)	11,297	11,253	66,840	61,685
Coal, tons (June)	887,859	1,340,223	5,867,698	7,470,047
Nat. gas, M. cu. ft. (June) ..	1,555,000	1,305,000	14,971,921	15,928,885
Petroleum, bbls. (June)	148,300	121,400	954,125	639,882
Automobile Financing—				
Used Cars (July)	$ 2,069,928	$ 3,778,515	$ 14,669,092	$ 21,865,108
New Cars (July)	$ 2,095,153	$ 2,903,003	$ 15,076,206	$ 22,133,651
Construction—				
Building Permits (Aug.) ..	$ 8,224,074	$ 14,029,564	$ 76,575,853	$ 115,268,330
Contracts (August)	$ 26,142,600	$ 49,407,200	$ 217,134,900	$ 327,407,600
Labor—				
Employment Index (Aug.).	105.2	118.8	....	....
Trade—				
Imports (August)	$ 46,994,113	$ 77,906,294	$ 449,305,957	$ 705,771,229
Exports (August)	$ 48,763,652	$ 69,290,228	$ 390,159,193	$ 582,198,172
Imports of Key Products—				
Rubber, raw, lbs. (July) ...	5,805,746	7,496,263	36,220,663	44,102,740
Cotton, lbs. (July)	4,374,000	4,732,000	50,581,000	50,657,000
Sugar, raw, lbs. (July)	78,978,500	117,446,400	441,606,700	419,861,100
Petroleum, crude, gal. (July)	98,145,089	92,547,060	562,472,952	566,643,304
Coal, tons (July)	1,245,095	1,781,183	6,610,435	9,011,969
Exports of Key Products—				
Newsprint, tons (August) ..	160,175	170,106	1,343,153	1,536,767
Automobiles, No. (July) ..	934	3,521	11,076	27,121
Wheat, bus. (Aug.)	11,909,108	17,639,228	111,800,735	96,711,722
Wheat flour, bbls (Aug.) ..	522,178	627,233	3,654,403	6,988,349
Electric Power—Output—				
M. Kilowatt hours (July) ..	1,239,645	1,425,690	9,523,343	10,375,637
Population—				
Emigration (June)	1,226	3,392	6,695	25,071
Immigration (June)	3,169	13,175	15,510	54,385
Finance—				
Failures, No. (July)	152	169	1,261	1,374
Failures, Liabilities (July) ..	$ 2,511,041	$ 2,540,478	$ 25,364,054	$ 28,948,803
Bank Debits (July)	$2,400,403,969	$3,093,985,410	$18,825,548,263	$22,119,155,224
Bond Sales (August)	$ 1,876,639	$ 31,145,400	$ 973,719,350	$ 458,629,160
Insurance Sales (Aug.)	$ 35,738,000	$ 36,249,000	$ 337,217,000	$ 375,488,000
Wholesale Prices (1926)—100—				
General Index (Aug.)	71.0	83.7	......	......
Iron & its products	86.8	90.7	......	......
Cotton, raw	41.2	68.8	......	......
Grains	37.5	64.3	......	......
Livestock	76.1	95.0	......	......

U.S.A. HAD 1,071 BRANCH PLANTS IN CANADA, 1930

Of Total Foreign Investment, U.S. Had 68 p.c., Canada 14 p.c.

Of a total capital investment of $1,746,210,000 in 1,260 British and foreign branch plants, subsidiaries or affiliated concerns established in Canada as at January 1, 1930, $1,189,590,000, or 68 per cent was derived from the United States, 17 per cent from Canada, 14 per cent from Great Britain, and less than 1 per cent from other countries, according to figures just published by the Dominion Bureau of Statistics.

It is pointed out, however, that to view these figures in their proper perspective it is necessary to compare them with figures for the geographical distribution of ownership of all capital employed in Canada. It is estimated by the Bureau that the amount $17,500,000,000, including bonded indebtedness of Dominion, provincial and municipal governments, investments in railways, public utilities and all manufacturing concerns, mines and metal industries, trading, finance, insurance, and land and mortgage establishments, but excluding private capital in domestic enterprises such as farms, homes, etc. Of this sum it is estimated that 65 per cent was owned in Canada, 20 per cent in the U. S. A., 13 per cent in Great Britain, and about 2 per cent in other countries, from which it is obvious that the control of our enterprise is very preponderantly in our own hands.

United States Concerns

Of the total of 1,260 British and foreign branch or affiliated establishments listed, no less than 1,071 were of United States origin (exclusive of 39 firms associated through use of patents, etc.) Of these, many consisted of several units as, for example, International Pulp and Paper Co., but in such cases the firm has only been counted as one. Among the number, 104 concerns are branches which have not been incorporated as Canadian companies and 967 are subsidiary, affiliated, or controlled Canadian incorporated companies.

The 104 concerns not incorporated in Canada are all wholly owned abroad. Of the others, 327 are wholly controlled abroad, the measure of control being based usually on the ownership of common stock. The remainder had the following degrees of outside control: 339 over 90 per cent; 63 from 80 to 90 per cent; 65 from 70 to 80 per cent; 61 from 6 0to 70 per cent, while 82 had 50 per cent control. In five there was less than 50 per cent control through common stock, bonds and preferred stock giving majority ownership to outside countries. In 19 there was less than 50 per cent outside control; four had combined U. S. A. and British control, while two had combined U. S. A. and other foreign countries' control.

Total capital employed (as distinct from capitalization) amounted to $1,541,355,000, ownership of which was distributed as follows: Canada, 18 per cent; United States, 77 per cent; Great Britain, 5 per cent; other countries, negligilbe.

There were 172 British branch, affiliated or subsidiary concerns as at January 1, 1930, according to the Bureau's report, 156 of which were Canadian incorporated companies. Of these, 30 were entirely British owned, 56 were 90 per cent owned, eight over 80 per cent, ten over 70 per cent, eleven over 60 per cent, and twelve 50 per cent owned. One had less than 50 per cent British ownership, preferred stocks and bonds making the majority; twenty-two had less than 50 per cent ownership; and six were controlled by British and United States capital.

Total capital employed amounted to $199,141,000, ownership of which was distributed as follows: Canada, $24,387,000, or 12 per cent; Great Britain, $164,561,000, or 83 per cent; United States, $9,415,000, or 5 per cent; elsewhere, negligible.

Foreign Plants

Seventeen foreign branch or subsidiary concerns were listed January 1, 1930, only one of which was not incorporated as a Canadian company. In addition to this one, three others were also entirely owned by foreign capital, while five were 90 per cent owned, one over 70 per cent, two over 60 per cent, and one 50 per cent. Three had less than 50 per cent outside control, and one was controlled by United States and other foreign capital combined.

Total capital employed in the fourteen concerns was $5,724,000, ownership of which was distributed as follows: Canada, $1,259,000 or 22 per cent; Great Britain and United States, 1 per cent; elsewhere, $4,407,000 or 77 per cent.

U. S. A. - Canada Trade Off 37 p.c. in Seven Months

Canadian goods imported by the United States during July totalled $22,341,421 showing a decline of $8,000,000, or over 26 per cent, from the figure for the same month last year, while for the seven months to July 31 a drop of 35 per cent is recorded with a total of approximately $162,000,000, according to statistics compiled by the U. S. Department of Commerce, Washington.

Value of U. S. goods exported to Canada during July were less by over 40 per cent than in the same month last year, total being $32,676,645, while comparison of the first seven months reveals a drop of nearly 38 per cent this year to date at a little over $265,000,000.

Cigarettes Entered for consumption in August numbered 425,138,580, as against 474,415,620 in July. Cigars entered were 12,860,616, compared with 14,091,692 in July.

THERE'S "SOMETHING" ABOUT IT YOU'LL LIKE

A distinctive English mixture—a skillful blend that satisfies. Individual in flavor and fragrance. A tobacco that particular men prefer.

Glass Humidors $1.50 and $3.00 TS94

Herbert Tareyton
LONDON
SMOKING MIXTURE
Sealed Pouch Pkg.
25¢

ESTABLISHED 1906

ROBERT DODD & COMPANY
INCORPORATED
Investment Bankers
The Royal Bank Building, Montreal
HArbour 8141-2

HAMILTON BRIDGE COMPANY
LIMITED
Designers, Fabricators and Erectors
of every class of
Structural Steel Work
Head Office and Works:
HAMILTON - CANADA

CANADIAN VICKERS LTD.
Aircraft Ships Engines
Structural Steel
Boilers Mining Machinery
General Engineering
25,000 Ton Floating Dry Dock
Head Office and Works:
MONTREAL — CANADA

NORTH AMERICAN LIFE
A Canadian Company
SOLID AS THE CONTINENT
$53,000,000, paid to policyholders since establishment 50 years ago. Assets held for policyholders exceed $45,000,000.
All Profits Paid to Policyholders
A MUTUAL COMPANY

Sherlock Holmes solves the problem of the KINGSTON MARKET

One of the buildings of Queens University, Kingston, Ontario

The Adventure of the DEPRESSION-PROOF PAYROLLS

Kingston is Growing
Building Permits (1930) ... $1,056,985
Harbor Expenditures (1930)
Government Work .. 735,000
New Elevators .. 1,250,000
Federal Institutions, pay-roll and maintenance (1930) .. 1,500,000
Provincial Institutions, pay-roll and maintenance (1930) .. 400,000
Queen's University, annual pay-roll .. 700,000
Increase in Hydro power users in district in 1930
New subscribers .. 550
New miles of line .. 112
Annual Purchasing Power, over .. $15,000,000

Showing that Kingston, an isolated self-contained market, covered only by the Kingston Whig-Standard, has an unusual proportion of permanent payrolls, unaffected by adverse industrial conditions.

"Stability, my dear Watson, is a word to be carefully weighed," exclaimed Holmes in the course of one of our early morning strolls.

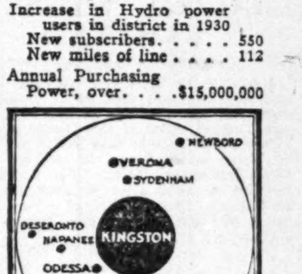
"And," he continued, "Kingston has it to an unusual degree. Examine these figures and then see what you make of them." He handed me a memo from his pocketbook.

"Payrolls and maintenance of Federal Institutions, $1,500,000: Payrolls and maintenance of Provincial Institutions, $400,000: Payroll of Queens University, $700,000," I read.

"Yes," interrupted my friend eagerly, "these are payrolls that hard times cannot hit. They, with Harbor expenditures which in 1930 totalled nearly $2,000,000, are the kind that pay advertisers year in and year out."

"Which," I interrupted, fired by Holmes' enthusiasm, "is just one more reason why advertisers should include self-contained Kingston and its own paper, the Whig-Standard, on their lists for 1931."

The Kingston Whig-Standard
The Only Daily Paper in the Kingston Trading Area



DIVIDEND NOTICES

MacKinnon Steel Corporation
LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) for the quarter ending October 31, 1931, has been declared on the 7% CUMULATIVE CONVERTIBLE FIRST PREFERRED STOCK of the company, payable November 2, 1931, to shareholders of record October 15, 1931.

By order of the Board.

J. M. S. MACDONALD,
Secretary.

Montreal, September 15, 1931.

The B. GREENING WIRE COMPANY, LIMITED
Preference Dividend No. 29

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable October 1, 1931, to shareholders of record September 15, 1931.

F. J. MAW,
Secretary.

Hamilton, Ont., Sept. 15, 1931.

HONEY DEW LIMITED
Dividend Notice

Notice is hereby given that a quarterly dividend of $1.75 per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Honey Dew Limited, payable on the 1st day of October, 1931, to shareholders of record the 15th day of September, 1931.

By order of the board,

ERIC C. LINDSAY,
Secretary.

GREAT BRITAIN AND CANADA INVESTMENT CORPORATION

PREFERRED DIVIDEND No. 5.

A dividend of 2½% (being at the rate of 5% per annum) has been declared on the 5% Cumulative Convertible Preferred Stock of GREAT BRITAIN AND CANADA INVESTMENT CORPORATION for the six months ending September 30th, 1931, payable October 1st, 1931, to shareholders of record at the close of business on September 19th, 1931.

By Order of the Board.

L. C. HASKELL,
Secretary.

Montreal, July 24th, 1931.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th September, 1931, being at the rate of twelve per cent per annum and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of October, 1931, to shareholders of record of the 19th September, 1931.

By Order of the Board.

C. A. BOGERT,
General Manager.

20th August, 1931.

ABITIBI POWER & PAPER COMPANY, LIMITED
Dividend Notice

Notice is hereby given that a quarterly dividend of one and three-quarters per cent has been declared on the Seven Per Cent Cumulative Preferred Stock of Abitibi Power & Paper Company, Limited, payable the 1st day of October, 1931, to shareholders of record at the close of business the 19th day of September, 1931.

By Order of the Board,

T. BROADHURST,
Secretary.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 141

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending September 30th, 1931, being at the rate of

TWELVE PER CENT. PER ANNUM,

and that the same will be payable on or after Thursday, the first day of October, 1931, to shareholders of record at the close of business on September 16th, 1931. The transfer books of the Corporation will be closed from the close of business September 16th to the close of business September 30th.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, September 8th, 1931.

American Commonwealths Power Corporation
New York Grand Rapids St. Louis

Dividend Notice

The Board of Directors of American Commonwealths Power Corporation has declared the following dividends:

PRIOR PREFERRED STOCK
Customer Ownership Series

A monthly dividend of 52¢ per share on the Prior Preferred stock, $6.24 Dividend Series, payable October 1, 1931, to stockholders of record at the close of business September 12, 1931.

A monthly dividend of 52¢ per share on the Prior Preferred stock, $6.24 Dividend Series, payable November 2, 1931, to stockholders of record at the close of business October 12, 1931.

A monthly dividend of 52¢ per share on the Prior Preferred stock, $6.24 Dividend Series, payable December 1, 1931, to stockholders of record at the close of business November 12, 1931.

PREFERRED STOCK

The regular quarterly dividend of $1.75 per share on the First Preferred stock, Series A, payable November 2, 1931, to stockholders of record at the close of business October 15, 1931.

The regular quarterly dividend of $1.63 per share on the First Preferred stock, $6.50 Dividend Series, payable November 2, 1931, to stockholders of record at the close of business October 15, 1931.

The regular quarterly dividend of $1.50 per share on the First Preferred stock, $6 Dividend Series of 1929, payable November 2, 1931, to stockholders of record at the close of business October 15, 1931.

The regular quarterly dividend of $1.75 per share on the Second Preferred stock, Series A, payable November 3, 1931, to stockholders of record at the close of business October 15, 1931.

COMMON STOCK

The regular quarterly dividend of 1/40 of one share (2½%) payable in Class A Common stock on October 26, 1931, on each share of Class A and Class B Common stock, to stockholders of record at the close of business September 30, 1931.

Where the stock dividend results in Fractional shares Scrip certificates for such fractions will be issued which can, at the option of the stockholders, be consolidated into full shares by the purchase of additional Fractional shares. The Company will assist stockholders in the purchase of additional Fractional shares.

Checks and stock certificates in payment of dividends will be mailed in due course.

ALBERT VERMEER, *Treasurer.*

September 15, 1931.

DIVIDEND NOTICES

DIVIDEND NUMBER 219

Hollinger Consolidated Gold Mines, Limited

A dividend of 1% on the outstanding Capital Stock of the Company has been declared payable on the 7th day of October, 1931, on which date cheques will be mailed to shareholders of record at the close of business on the 23rd day of September, 1931.

DATED the 16th day of September, 1931.

I. McIVOR,
Assistant-Treasurer.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1931, to Shareholders of record as at close of business September 15th, 1931.

W. S. BARBER,
Secretary-Treasurer.

TIP TOP TAILORS LIMITED

NOTICE IS HEREBY GIVEN that a dividend of 1¾% on the 7% Cumulative Sinking Fund Redeemable Convertible Preferred Shares of the Company for the quarter ending September 30, 1931, has been declared payable on and after October 1, 1931, to holders of preferred shares of record at the close of business, September 15, 1931. The transfer books will not be closed.

DATED at Toronto, 11th day of September.

H. P. MACKECHNIE,
Treasurer.

"CANADA DRY"
Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held September 17, 1931, a regular quarterly dividend of seventy-five cents ($.75) per share was declared, payable October 15, 1931, to stockholders of record at the close of business October 1, 1931.

R. W. SNOW, *Secretary.*

QUEBEC POWER COMPANY

Notice is hereby given that a dividend of sixty-two and one-half cents (.62½c) per share has been declared on the no par value common shares of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 25th, 1931.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, Sept. 17, 1931.

THE TORONTO MORTGAGE COMPANY

QUARTERLY DIVIDEND

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1931,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

Walter Gillespie,
Manager.

DIVIDEND NOTICE

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

Notice is hereby given that a dividend of ten cents per share, for the period ending September 30th, 1931, has been declared upon the shares of the Company issued and outstanding, and will be payable on and after the 5th day of October, 1931, to shareholders of record at the close of business on the 28th day of September, 1931.

S. H. J. REID,
Secretary-Treasurer.

Paris, September 21st, 1931.

THRIFT STORES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following dividends have been declared by Thrift Stores, Limited:

One and five-eighths per cent (1⅝%) on the 6½% FIRST CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES, and

One and three quarters per cent (1¾%) on the SECOND CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES.

Both dividends are for the quarter ending September 30th, 1931, payable October 1st, 1931 to shareholders of record September 21st, 1931.

By order of the Board of Directors,

M. RUDOLPH, President.

Montreal, September 15th, 1931.

61st Quarterly Dividend

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the NEW no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending September 30th, 1931, has this day been declared to shareholders of record, September 30th, 1931, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders October 31st, 1931.

By Order of the Board,

G. R. WHATLEY,
Secretary.

Montreal, September 21st, 1931.

MontrealLightHeat&Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

MIDLAND GRAIN PROFIT WAS UP IN PAST YEAR

Earned $1.02 on Common Shares Against $1.01 in 1930, 72c in 1929

ASSETS GREATER

Company Takes on Bank Loans But the Working Capital Exceeds Previous Years

Operating profit of Midland & Pacific Grain Corp. is reported at $232,613 for the year ended July 31, 1931, as compared with $225,724 in the previous year and net profit, after providing for depreciation, reserve for bad debts and reserve for income tax, was $136,043 as against $135,596 in 1930. After payment of $33,950 in preferred dividends the company earned $1.02 per share on the 100,000 shares of no par value common stock outstanding which compares with $1.01 in 1930 and 72 cents in 1929.

The company operates 63 elevators in Manitoba, Saskatchewan and Alberta, of which 51 are owned or controlled. Total storage capacity of its elevators is 2,018,000 bus. In addition a terminal elevator is owned at Vancouver which has a capacity of 1,500,000 bus. The operations of the company are not confined to any one area. The income and surplus account for the last three fiscal years are as follows:

Income and Surplus Account
Years Ended July 31

	1931	1930	1929
	$	$	$
Oper. profit ...	232,613	225,724	181,150
Less: Deprec. .	54,840	51,768	50,767
Res. for bad debts	23,593	29,000	13,015
Res. for inc. tax	18,137	9,360	10,000
Net profit	136,048	135,596	107,368
Less appropriations:			
Pref. divds. .	33,950	35,000	35,000
Surp. for year .	102,093	100,596	72,368
Add: Prev. surp.	911,268	810,672	738,304
Bal. carr. fwd. .	1,013,361	911,268	810,672

In addition to the regular quarterly dividend on the 7 per cent preferred stock, a dividend of 25 cents per share has been declared on the common stock. This is the first payment on the common and is payable October 1 to shareholders of record September 24. Date of annual meeting has not yet been set.

Working Capital Up

Total assets of $1,956,543 include $1,028,297 of current assets. Current liabilities amount to $328,928, excluding $44,255 designated as reserves for bonuses, taxes, pensions, etc. The working capital of the company has increased to $699,369 from $651,656 last year. Several changes have occurred in the distribution of liquids during the past year. Cash on hand at July 31, 1931, amounted to $289 as compared with $182,531 last year; accounts receivable, less bad debt reserve of $22,208, amount to $168,798 as compared with $272,870 in the previous year; investments at cost are shown at $244,522 compared with $256,058 and inventories, grain, coal, etc., are up to $614,688 from $59,604 last year.

Current liabilities include bank loans and current accounts of $200,956, secured by hypothecation of grain under section 88 of the bank act and by deposit of investments having a par value of $200,000. In 1930 no bank loans were shown.

Accounts payable and outstanding grain tickets are carried at $127,972, down somewhat from $256,058 shown in 1930.

Fixed assets are carried at $928,246 and consist of elevator properties, equipment, etc., carried at $1,085,621, subject to depreciation reserve of $157,375 of which $54,840 was provided during the past year. In 1930 fixed assets, after reserve, were shown at $864,684. In addition to current liabilities and reserves amounting to $44,255 the company has 4,700 shares of 7 per cent stock of $100 par value outstanding, 150 shares having been redeemed during the year. Common stock of no par value is outstanding to the extent of 100,000 shares carried at $100,000 and surplus carried forward amounts to $1,113,360.

Canada Power Deposits Make Further Gains
From Our Own Correspondent

MONTREAL.—The week ended September 19 resulted in further additions to the deposits of securities of Canada Power and Paper Corp. with the Protective Committee, though the increase of bonds deposited was relatively small.

At September 19 deposits of bonds had a par value of $40,122,193 or 93.2 per cent of the amount outstanding. Debentures totalled $33,401,350 or 94.3 per cent against 93.2 per cent a week previous.

Deposits of preferred stock totalled $21,354,600 or 88.7 per cent, against 88.1 per cent, while deposits of common stock totalled 1,274,165 no par value shares, or 98.2 per cent against 89.9 per cent in the preceding week.

To List Paramount Stock
From Our Own Correspondent

MONTREAL.—There will be listed on the Montreal Stock Exchange, an official notice of issuance, 80,822 common shares of no par value of Paramount Publix Corp. This will bring the total amount of the company's shares listed to 3,366,909 shares.

DIVIDEND NOTICES

GEORGE WESTON, LIMITED

Common Dividend Number 7

NOTICE IS HEREBY GIVEN that a quarterly dividend (No. 7) of Twenty-five cents per share on the no par value Common Capital Stock of this Company (being at the yearly rate of One Dollar per share) has been declared for the quarter ending 30th September, 1931. This dividend is payable on and after October 1st, 1931, to Common Shareholders of record at the close of business on the 19th day of September, 1931.

CHARLES W. KERR,
Secretary.

Toronto, 15th September, 1931.

DIVIDEND NOTICE

ECONOMIC INVESTMENT TRUST LIMITED

Notice is hereby given that the Directors of the Economic Investment Trust Limited have declared an interim dividend of 87½c per share (par value $50.00), being at the rate of 3½% per annum for the half year ending 30th September, 1931, payable on the 1st day of October, 1931, to shareholders of record at the close of business on the 21st day of September, 1931.

By order of the Board,

C. R. ALDERSON,
Assistant Secretary.

Toronto, 18th September, 1931.

Buyers Find Few Bargains Insur. Shares

Low bids recently reported for unlisted life insurance stocks have probably caused some misconception of the actual state of the market for these shares. Dealers in these securities report that they have been unable to fill buying enquiries at anything like the prices that have been bid and that accordingly, many bargain hunters have been disappointed. This is said to be particularly true of Sun Life stock.

"Offerings of insurance shares," said one prominent Toronto broker, "have been extremely light during the past few months, being well held by investors who are apparently thoroughly satisfied with their investment."

There have been from time to time, sales of small blocks of shares reported from New York and elsewhere at prices that reflect the general depressed trend of the stock market, but these have been few and far between, and any subsequent attempts to obtain shares at similar or, for that matter, very much higher prices are stated to have been abortive.

Current bid and asked prices on unlisted Canadian markets tend to show that the fall noted in U. S. insurance shares during the past week has not affected Canadian company stocks generally, the only notable exception being Sun Life share quotations which have dropped from 900 bid, 1,100 asked to 450 bid and 650 asked.

CANADIAN HYDRO SHOWS INCREASE IN JULY PROFITS

Twelve Months Figures Also Record Gains

From Our Own Correspondent

MONTREAL.—Consolidated net revenue of Canadian Hydro-Electric Corp. and subsidiary companies, including Gatineau Power Co., in July was $148,358, compared with $142,204 in July of last year. These figures were after all charges, including depreciation, and compared with dividend requirements on the first preferred stock of $62,500. Net added to surplus was $85,858 against $79,704 in July, 1930.

Gross revenue at $745,094 in July showed a gain of $50,000 over July of last year, while net, before depreciation, showed a similar increase at $631,773.

Following are comparative statements for the month of July in the past two years:

	Month of July 1931	1930
	$	$
Gross revenue (incl. other income) ..	745,094	695,370
Net before int. & depr.	631,773	580,808
Balance for dividends after int. & depr.	148,358	142,204
Dividends on Can. Hydro-Electric Corp., Ltd., 1st pref.	62,500	62,500
Net added to surplus ...	85,858	79,704

Twelve Months Gain

Substantial gains in the 12 months' period ended July 31 were recorded. Gross revenue was $8,876,157 compared with $7,938,990 in the previous period in 1930, while net revenue available for dividends was $2,043,574 or $16.35 a share on the first preferred stock. This compares with $1,564,863, or $12.52 a share in the 12 months ended July 31, 1930.

Net added to surplus in the 12 months ended July 31 this year was $1,292,574, or nearly 60 per cent greater than for the preceding 12 months.

Following is a comparative statement for the 12 months ended July 31, 1931, and the preceding 12 months period.

	12 Mos. ended July 31 1931	1930
	$	$
Gross revenue (incl. other inc.) .	8,876,157	7,938,990
Net before int. & depr.	7,536,931	6,660,616
Balance for dividends after int. & deprec.	2,043,574	1,564,863
Divds. on Can. Hydro-Electric Corp., Ltd., 1st preferred	750,000	750,000
Net added to surp. .	1,293,574	814,863

EASTERN DAIRIES SOON TO OPEN HAMILTON UNIT

Will Relieve Toronto Plants Serving District

From Our Own Correspondent

MONTREAL.—The new Hamilton plant of Eastern Dairies, Ltd., is expected to come into operation shortly, and will relieve the company's Toronto units of their present programme of supplying Hamilton and district with dairy products. The new plant will be modern in every respect and will handle a complete line of dairy commodities.

Earnings of Eastern Dairies during the current fiscal year which began April 1, are reported as fairly satisfactory. No figures have been published but it is considered likely that profits are somewhat below those of last year.

Last Year Record

Earnings in the year ended March 31, 1931, constituted a record for the company and after all charges, including preferred dividends, there remained a sum equal to $2.04 a share on the common stock, of which there were 74,099 shares outstanding.

Since that time 10,901 shares have been issued to employees while 15,000 shares have been issued to Nesbitt Thomson and Co., bringing the total number of shares outstanding to 100,000.

The stock is on an annual dividend basis of $1 a share; initial payment of 25 cents was made in November, 1930.

INTERNAT. POWER COVERS PREFERRED NARROW MARGIN

Bank Loans Show Heavy Increase at Year End

From Our Own Correspondent

MONTREAL.—Though dividends and interest from controlled companies together with miscellaneous income received by International Power Co. in 1930 were higher by $136,784 compared with the previous year, a sharp increase in working expenses and interest reduced net profits applicable to preferred dividends to $563,763 compared with $600,870 in 1929. Preferred dividend needs were $560,000, so the sum of $3,763 was added to surplus last year.

Gross earnings of subsidiaries increased $139,264 over those of the previous year as shown in a consolidated profit and loss account, and net income available to International Power, the holding company, was $1,063,273 against $1,028,897 in 1929.

Profit and Loss Figures

Following is a comparison of profit and loss accounts of International Power Co. for the past two years:

	1930	1929
	$	$
Div. & int. from controlled cos. & misc. income	1,099,083	962,299
Misc. exp. & int. ...	220,320	77,632
Net income	878,763	884,667
Debenture int.	315,000	283,797
Balance	563,763	600,870
1st pref. divd.	560,000	560,000
Surplus for year	3,763	40,870
Prev. surplus	239,710	198,840
P. & L. surplus	243,473	239,710

Bank Loans Increase

The balance sheet shows investments in controlled companies slightly higher at $11,710,216 while advances to controlled companies have risen from $7,136,999 to $9,053,039. Cash is higher by nearly $300,000 at $404,224.

In liabilities, bank loans have doubled at $4,000,000 and accounts payable are $412,597 compared with $118,015. Capital structure is unchanged comprising $3,000,000 of 6½ per cent debentures, $2,000,000 of 6 per cent debentures, $8,000,000 of 7 per cent preferred and $2,000,000 of 6 per cent second preferred. There are 115,610 common shares of no par value issued.

Consolidated Figures

The consolidated balance sheet of controlled companies reflects expansion carried out last year. The sum of $3,761,965 was spent on capital account during the year and fixed assets now are valued at $30,448,923.

The lack of working capital has become more apparent and excess of current liabilities over current assets now totals $2,723,839 compared with an excess of $424,601 at the end of the previous fiscal year. Current assets have increased from $2,945,066 to $4,165,557 but current liabilities have risen by over $3,500,000 to $6,889,393.

Reserves Increased

Depreciation reserve has increased $250,972 to $3,057,843 while funded debt stands at $12,005,373 compared with $11,318,000 at the end of 1929. Stocks of controlled companies are carried at $2,212,510 a slight decrease.

In the directors' report to shareholders it is pointed out that further economies and efficiencies in operations were effected and the policy of reducing rates for electric service has been continued. The report continues in part:

"At the time of acquisition of your controlled companies their properties were, to a large extent, incapable of adequately meeting the growing demand for electric service. As indicated in previous reports, your company has been carrying out a programme of modernization and extension of the operating systems so as to furnish more efficient service and provide additional generating capacity for prospective growth of load in the territories served.

"This programme of capital expenditure has now been completed and the systems owned by your controlled companies are all equipped with ample generating capacity to provide for such increased consumption of electricity as can reasonably be expected for the next two or three years, and, with the exception of the usual and normal routine expenditures in connection with the extension of distribution systems, it is not anticipated that any large capital expenditures will have to be incurred during this period.

"Your directors feel that in carrying out the foregoing policy the foundations have been laid for a substantial increase in the business and earnings of your controlled companies for the next few years, but without corresponding increase in either fixed charges or operating expenses."

Saskatchewan Power Plan Would Cost $15,000,000
From Our Own Correspondent

MONTREAL.—An initial expenditure of $15,000,000 with an additional $3,000,000 is the estimated cost of Saskatchewan's projected hydro-electric scheme on the Saskatchewan river east of Prince Albert, according to the report of H. G. Acres, appointed by the Saskatchewan government to investigate the proposal.

The report indicates that sufficient power could be generated at Horse Shoe Bend to take care of the maximum requirements of Regina, Saskatoon, Moose Jaw, and Prince Albert for a number of years before it would be necessary to resort to the use of steam as supplemental power for period of maximum demand.

Form Loan Organization to Aid N. S. Fruit Growers
From Our Own Correspondent

MONTREAL. — The Co-operative Fruit Growers' Finance Co., a loan company, has been organized in Kentville, N.S. Incorporation results from legislation passed at the last session of the General Assembly, under which the Government undertook to guarantee $500,000 in loans to fruit growers.

Turner Valley Drilling Report
Wells Drilled by Imperial Oil

Progress Report—Week Ending Sept. 18, 1931

Name of Well	No.	Type	Depth—last report feet	Present depth feet	Feet drilled	Remarks
Sterling Pac.	2	R.	4083	4295	212	Drilling in shale. Top Grit bed 2,540 ft.
Lethbridge	1	S.	3654	3712	58	Drilling in shale. Casing lowered to 3,572 ft.

Note: R.—Rotary. S.—Standard.

BRAZILIAN NOT AFFECTED BY DEFAULT

Brazil Government's Failure to Pay Interest May Aid Remittances

Brazilian Traction Light & Power Co., in declining 1⅝ to 9¼ in a free market September 22, was reflecting not only the prevailing uncertainty with regard to the full effects in the world of the British pound going off the gold standard but the publication of the August earnings figures which showed gross at $2,817,714, or 25.71 per cent down from August in 1930 and net at $1,715,386, a drop of 25.90 per cent. Operating expenses at $1,102,328 showed a decline of 25.42 per cent.

The monthly decline was a little higher comparatively than the decline for the full eight months ending August 31 as shown in the following table:

Earnings 8 Months to August 31

	1931	1930	% Decr.
Gross	$24,660,072	$32,160,185	23.32
Exps.	9,750,313	13,373,032	27.09
Net	14,909,759	18,787,153	20.64

Creating Central Bank

Unless present troubles in Brazil prevent it, these earnings are yet ample to permit payment on December 1, 1931 of another cash dividend of 25 cents a share such as was paid on September 1 and a stock dividend of 2 per cent such as was indicated likely in the address at the annual meeting by Miller Lash, K.C., president. The announcement of the Brazilian Government that it would cease interest payments on its bond obligations, on the ground that it could not buy exchange, may not be adverse to the fortunes of Brazilian Traction. That will reduce the strain considerably on those companies desiring to make remittances on foreign account and in the case of Brazilian, so long as the milreis declines no further, it would make payments of interest in sterling easier to make.

Brazilian Traction pays all its shareholders in Canada, United States, Great Britain, Belgium and France in Canadian dollars so that payments would be to the advantage of British holders and to the disadvantage of American holders if exchange should remain as low as levels attained on September 21 and 22. Internally the Brazilian Government is following out closely the recommendations of Sir Otto Niemeyer so far as trying to balance its budget is concerned and strengthening the country's financial structure. A central bank is being created.

It must not be forgotten that about 50 per cent of accounts owed subsidiaries of Brazilian in Brazil, are payable on a gold basis so that for that portion of the receipts fluctuations in the milreis mean little. During the war the company turned back money available for dividends into property extensions until exchange conditions permitted resumption of dividends. This is not being done at present as no further extensions are at the moment planned. Such expansion will probably await a good recovery in Brazilian business.

UNITED THEATRE CHAIN EARNINGS MAY BE LOWER

Expect 1931 Fiscal Statement to Reveal Small Recession

From Our Own Correspondent

MONTREAL.—Although the financial statement of United Amusement Corp. for the fiscal year ended August 31, 1931, is expected to reveal lower profits, compared with the previous year, it is understood that they were sufficient to cover the dividend of $2 which is presently paid on the common shares. The company's statement will not be available before the end of October.

The profit and loss account of United Amusement is interesting since it gives a representative cross section of operations of suburban motion picture theatres. The company is one of the largest chains outside of Famous Players in Canada; it operates 16 houses in Montreal and four in neighboring territory.

Has Made Progress

United Amusement has made consistent progress since its formation in 1924. With the advent of sound pictures profits increased but the company kept its expansion programme within reasonable limits, a policy which has proved fruitful in the ensuing lean years. Two near theatres were added in 1930 but there has been no change in properties in the last 12 months.

Patronage Holds Up

Advent of talking pictures at first brought some concern to the company since several of its houses are located in the heart of Montreal where the French language is predominant. Any fears along this line proved to be ill founded since those houses continue to enjoy the usual patronage. All are equipped with sound installations.

Earnings of United Amusement Corp. in the year ended August 31, 1930, showed a small decline from those of the previous period at $429,786 and, after all deduction which included substantial write-offs, for equipment, depreciation, and franchise, there remained a net profit of $296,452, or the equivalent of $4 a share on the common stock. This comprises 66,016 shares of "A" and 8,121 shares of "B" which are identical with the exception that the class "AA" only has voting privileges.

The current rate of dividends at $2 a share was inaugurated in November, 1929, and represented an increase of $1 over the payment made formerly. At the end of the 1930 fiscal year there was a bond issue of $1,455,000 6 per cent bonds outstanding in addition to the common.

Canada's Large Spruce Cut

Canada's average annual cut of Sitka spruce is approximately 90,000,000 board feet, of which a portion is used in the manufacture of pulp and paper. The trees are prolific in British Columbia where they grow to a great height and size.

©1931 M. L. I. CO.

"When I had Pyorrhea—"

"Don't worry. The day Dr. Blank told me I had pyorrhea I was scared. I thought it was some kind of incurable disease which meant the loss of all my teeth. But I didn't lose one and the pyorrhea is cured."

MOST people instinctively dread pyorrhea. They know that it is an unpleasant disease of the gums and bony sockets of the teeth—a disease that causes the gums to recede and the teeth to loosen and fall out.

But they may not know that even more serious than the loss of their teeth is the menace to health and even life which may follow the absorption unto the blood of the poison of pyorrhea.

There are several causes of pyorrhea. Overfeeding and improper diet are responsible for the majority of cases. A diet lacking milk, green vegetables, fruit and sufficient hard food to chew upon so as to bring a free circulation of blood through the gums, may lessen the resistance of the tissues to attacks by mouth bacteria.

Several other conditions cause pyorrhea. It may come from injury to the gum by the careless use of toothbrush or dental floss. An accumulation of tartar at the gum-line may be partly responsible. Crooked or missing teeth, ill-fitting crowns or bridgework that cause extra strain and pressure on certain teeth may bring on pyorrhea.

Bleeding and tenderness of the gums are usually the first signs of pyorrhea and call for prompt action. But in some cases these warnings are absent and only X-rays can detect the destruction of the bony socket in which the teeth are held—a destruction that may proceed painlessly and relentlessly until the teeth are lost and invalidism results.

In its early stages pyorrhea can be cured by expert treatment, and can often be checked even when further developed. But if the disease has progressed too far for cure, the affected teeth should be removed in the interests of health.

Visit your dentist regularly and have your teeth X-rayed if he advises it, so that in case pyorrhea is developing it may be treated before becoming serious.

The Metropolitan Life Insurance Company will be glad to mail, without charge, the booklet "Good Teeth—How to get them and keep them." Ask for Booklet 9-F-31

METROPOLITAN LIFE INSURANCE COMPANY
FREDERICK H. ECKER, President
CANADIAN HEAD OFFICE • • OTTAWA, CANADA

INDUSTRIAL ACCEPT. GETS NEW CONTRACT

Will Handle Installment Paper of Victor Company

From Our Own Correspondent

MONTREAL. — Industrial Acceptance Corp. has completed a deal whereby it handles the installment paper of the Victor Company, gramophone and radio manufacturers. Early this year Industrial Acceptance closed a contract with Canadian Westinghouse and the recent deal with the Victor Company should add a substantial amount of new business to the year's total.

Operations of Industrial Acceptance to date continue on a better scale than in 1930, while for the first six months of 1931 business written showed an increase of more than 10 per cent compared with a like period last year.

An increase in its miscellaneous paper has been a feature of the company's progress and has played a large part in its ability to maintain its position despite the drop in motor car financing which has been apparent this year.

Total production of motor cars in Canada for the first six months of 1931 was 40 per cent lower than in 1930 and the implicated decrease in installment financing for the period was about 30 per cent.

That Industrial Acceptance has been able to increase its gross volume in a year when the automobile trade has declined is interesting. Miscellaneous business increased to 38 per cent in 1930 as against 13.8 per cent of the total at the end of 1929.

Montreal Power's Market for Gas Likely Widened
From Our Own Correspondent

MONTREAL.—Further progress has been made in negotiations between the South Shore municipalities and the Montreal Light, Heat and Power Consolidated, with a view to obtaining a supply of gas from the utility company on the South Shore of the St. Lawrence. It is understood that Montreal Power is willing to supply the municipalities if permission can be obtained from Ottawa to run gas mains across the new Harbor Bridge without charge. A decision from Ottawa is expected shortly.

Brackets to carry gas mains were built when the bridge was constructed and transportation of gas from the new holder of Montreal Power across the river would not present any great problem.

Canadian Industries Add Bonus to Dividend
From Our Own Correspondent

MONTREAL. — Directors of Canadian Industries Ltd. have declared the regular dividend of 62½ cents a share on the common stock, together with an extra dividend of 25 cents, both payable October 31, 1931, to shareholders of record September 30.

During the current year there has been distributed in three payments the sum of $1 in addition to the regular annual dividend of $2.50. In March an extra dividend of 25 cents was paid, 50 cents in June and the last payment of 25 cents.

In 1930, four extra dividends totalled $2.50 making a total disbursement of $5 on the common stock during the year.

C. H. ENDERTON & CO.
Established 1890
Real Estate Investments, Mortgage Loans, Insurance, Rentals, Stocks and Bonds
Members Winnipeg Stock Exchange
222 Portage Avenue,
WINNIPEG

The Western Savings & Loan Association
First Mortgage Loans
Agencies throughout Manitoba, Saskatchewan and Alberta
Head Office: Winnipeg, Man.

Broder Financial Agency
Financial Agents
Real Estate Insurance Loans
1812 Rose St. Regina, Sask.

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY - CANADA

Black & Armstrong
Real Estate, Valuations, Rentals, Farm Lands, Mortgages and Insurance.
200 Toronto General Trusts Bldg.,
Winnipeg, Manitoba

Weber Bros. Agencies
Limited
PROPERTY MANAGEMENT
REAL ESTATE —
INSURANCE
FINANCIAL AGENTS
Edmonton Credit Building,
Edmonton, Alberta

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

General Tire

Please let me have any information you have as to the General Tire Corp. purporting to have issued 6½ per cent bonds last June.

Sale of the 6 per cent 30 year general mortgage bonds of General Tire Corp. dated May 1, 1930, has been stopped and there is not more than $5,000 of the issue outstanding in the hands of the public. There are not more than 12 bondholders and these bonds have no market. At least two attempts have been made to finance General Tire Corp and neither have been a success. The company is not operating.

Property is located at Oakville, Ont., but the chief asset behind the outstanding bond is the $29 or $30 deposited by the company with the Sterling Trusts Corp., Toronto, before the outstanding bonds were issued. This money is drawing interest at 4¼ per cent which, if compounded to the maturity of the bonds in 1960, would equal the face value of the bonds.

No bonds of the company have been authenticated and issued by Sterling Trusts Corp. since before June, 1930.

Commerce & Trans. Bldg.

I hold preferred and common shares of Commerce & Transportation Bldg. Ltd. Is there any chance that these shares will be worth anything?

Unless $150,000 can be raised by October 27, 1931, there is every possibility that security holders of Commerce & Transportation Building Ltd., will lose their entire equity in the property.

G. T. Clarkson, trustee has recently addressed a letter to security holders suggesting the formation of a new company which would raise $150,000 through sale of $10 preferred stock. A meeting of shareholders of Commerce & Transportation Building was held on September 22 in Toronto to discuss the proposed plan. Results of this meeting will be found in the issue of The Financial Post of Sept. 26.

The appraisal value of the building under normal conditions would be $1,825,000 but rental conditions are not satisfactory at the present time. However, we understand that under the proposed capitalization of the new company, the building would slightly more than earn fixed charges if occupied on the present basis. Apparently the only hope of security holders of Commerce & Transportation Building Ltd. getting anything from their investments depends on the ability of the trustee to raise the necessary $150,000 in cash.

Investors' Registry List

We would be obliged if you can give us any information as to Investors Registry Limited of Toronto, a company formed by one of the Stimson officials of Toronto, with a view to salvaging some assets of the Stimson companies for the benefit of shareholders of Stimson securities.

Any information you can give us as to likelihood of success of the Investors Registry Ltd. will be appreciated.

Investors Registry Ltd. has given no information in the letters sent out that convinces us that it can assist the security holders of the various G. A. Stimson enterprises or of the Toronto Suburban Railway, all of whom have been circularized. The management of the company was formerly connected with G. A. Stimson & Co.

A recent meeting of the shareholders of Commerce & Transportation Building Ltd., was held informally and gave approval to a proposed plan whereby a new company would be formed to take over the Commerce & Transportation Building. In order to do this it is essential that $150,000 be raised before October 27 next, and this money would be secured through sales of preferred shares in the new company. This plant has the approval of G. T. Clarkson, the trustee.

A formal meeting of shareholders of Commerce & Transportation Building, Ltd., and of the debenture holders of Stimson Building and Investment Co. was held on September 22 in Toronto to pass definitely on the new plan. Mr. Clarkson recently forwarded a letter outlining the present position of the building and the proposed plan of reorganization. You will find details in The Financial Post of September 19 and September 26. Shareholders of Commerce and Transportation Building, Ltd., are being asked to subscribe for stock in the new company.

In view of these arrangements which are sanctioned by the trustee we see no reason why any attention should be given to letters from Investors Registry Ltd.

Detroit Tunnel

Can you advise if the following stocks have any market value?

Detroit & Canada Tunnel common, and Anglo-American Royalties & Share Corp. class A. shares.

It appears to me that this last named Royalties stock may be worthless.

The nominal market on Detroit and Canada Tunnel common stock is from 45 cents to 50 cents per share. There is little trading in this stock.

We understand that there is no present market for the Class A common shares of Anglo-American Royalties & Share Corp., but this does not necessarily mean that the shares are worthless. The company is paying interest regularly on the 7½ per cent fifteen year convertible, redeemable gold debentures having a par value of $10, and the Class A shares rank immediately after these debentures.

Stocks Not Picked

We have seven thousand dollars insurance, six hundred dollars in Dom. of Canada, 4½ per cent 1946 bonds, and we would like your advice re the investment of five hundred dollars.

The Financial Post does not attempt to select securities for its readers. This is because it would require a more intimate knowledge of the affairs of the investors than we can obtain by correspondence.

We would suggest that you get a recommendation from a reliable investment banker, but before acting upon it write us a letter stating the nature of the recommendation received and we shall be glad to report upon the securities suggested.

Ham. Bridge—Durant

I wish to take advantage of your investment service and would accordingly appreciate your advice. I am 26 years of age, single, and carry $10,000 of life insurance. Other than an increasing fund in the company's savings and pension plan I have no investments at present. I propose to purchase 100 common of Hamilton Bridge and follow in a few months with 100 of Durant. My selection is based on the fact that both companies appear to me to be in a position to weather the present financial conditions and also should offer a reasonable opportunity to show a profit over a year or two. Would appreciate your opinion on this very much indeed.

Hamilton Bridge Company is in good financial position and it has some substantial orders on its books. The company is unlikely to show substantial profits in the next year or two but with a general recovery in business conditions and a resumption of heavy building work the company will be in a position to take as in the past its full share of the orders offering.

Durant Motors, now known as Dominion Motors, has had considerable success as an independent automobile manufacturer. It is aggressively managed and while the automobile industry continues to face a period of uncertainty the company needs to do only as well as it has done in the past to remain a prominent factor in the Canadian field.

These are fair securities to be put away by a young man. Nevertheless, we feel that the strongest policy is for an investor to lay a foundation of the leading common stocks of the strongest companies that have proved their ability to weather successive periods of depression, companies that are outstanding in their field. We have been dealing with a group of such companies in a series of articles under the title of "Stock Market Leaders of Tomorrow" which have been run in The Financial Post. Such securities, while not relatively as cheap as the securities of such companies as the two you mention, have a greater degree of security behind them and make better foundations for common stock investment programmes.

Unhappy Experience

When in 1928 I began to realize on both productive and unproductive assets in order to build up a revenue on which I could live and keep my family, I followed the oft-repeated advice to consult a substantial security firm. I went to a well-known Toronto security house, told them my plans and on their assurance that they would advise me in investment matters for my best interests, I made practically all my purchases through them. They sold me amongst other things, Peru bonds, Burn pref., Alberta Pacific pref., Great West Saddlery pref., General Steel Wares pref., Detroit Bridge Debentures, Bolivia bonds, St. Lawrence Paper pref., United Fuel pref. I trusted them absolutely. The investment department of my bank told me they were safe. I took their advice often against my own judgment, as in Bolivia bonds, for instance. My securities were all assigned so that they could deal with them. I went to Europe for months and left them in their hands. They carried out some transactions without consulting me until later. They constantly told me that with their staff and arrangements they had advance notice of any influences detrimental to the securities bought under their advice.

On Feb. 24, 1930, they advised me to double up on my Detroit Bridge debentures by buying another $2,000 at 55⅝.

Between February and May last year they advised me to buy another 50 shares of St. Lawrence Paper pref. around 70 to add to the 25 shares I already had. When I demurred they assured me that this company had contracts insuring payment of dividends for another ten years. They have stopped.

In January, 1930, they urged me to increase my holdings of United Fuel pref.

An earlier transaction, which I now consider in the same class, was the purchase under their advice in November 23, 1928, of Great West Saddlery pref. at 99.

Am I right in blaming them for loading me up after they had reason to believe these securities were going wrong?

Should they have advised me on the dates given above to sell, not buy?

Have I any redress?

The investment house with which you dealt may have been just as badly informed on general conditions throughout the world as anyone. That is the tragedy of the present depression. It is a serious reaction from a period of inflation in which sound judgment, conservatism and reaction were sadly lacking. Many of those who were regarded as our most able financial prophets were not only led astray themselves but brought serious loss to thousands of others.

Without knowing more of the circumstances we cannot say whether the house in question misled you by intent or through poor judgment. In any event it is not likely that you have any redress against them so long as they did not exceed whatever authority you gave them for the handling of your funds.

Some of the securities that you hold are of corporations that have a good opportunity of coming back in time. Others are not at all promising; for instance, the Peru and Bolivia bonds, the Great West Saddlery preferred, the General Steel Wares preferred and the St. Lawrence Paper preferred, and the Detroit Bridge debentures. Alberta Pacific suffered from circumstances over which the investment house had not a great deal of control. United Fuel investment seems to be working out satisfactorily but it has sold down in the general collapse of security prices.

If we may say so, your troubles were probably due to the fact that you placed too much reliance upon the good judgment of some one else. When a man is dealing with his own investment funds he should aim to be as well informed as possible on every company into which he purchases, on general economic and market conditions, and on the fundamentals of investing. He should establish his own standards to apply. While he may rely upon investment bankers and stock brokers for suggestions and advice, this advice should be checked in as many authoritative quarters as possible and should always receive the final checking of the common sense and experience of the investor himself.

To some people the experience of relying too much upon the advice of others has been had at not too great a cost. Unfortunately many people have lost more than they can hope to recover by their own efforts in the future.

Fraser Companies

Have you had any information on Fraser Companies recently? Has there been an improvement in activities this year; do you think the company will survive its present difficulties?

The future of Fraser Companies at the present time is somewhat indefinite. As you know, a heavy operating loss was sustained last year due to unprofitable activity in the company's lumber and pulp division. The market for both these products has shown no tendency to improve during the current year, though our understanding is that Fraser's fine paper operations are being conducted on a better scale than in 1930. The company, however, is burdened down by heavy fixed charges and indications are that these will have to be lightened before the company can be placed on a paying basis. It has been reported that some reorganization is planned, but as yet no announcement has been made in this regard. An improvement in the pulp and lumber market would naturally be of considerable benefit to Fraser Companies.

Dom. Steel & Coal

I am confused regarding the relationship of Dominion Steel and Coal Corp. to Besco, Dominion Steel Corp. and Nova Scotia Steel and Coal Co. There have been so many mergers, I would be obliged if you would explain the situation as it now stands.

To realize the situation surrounding Dominion Steel and Coal Corp., it is necessary to study the plan of the reorganization of British Empire Steel Corp. This plan provided for the purchase of the assets and undertakings of Besco, Dominion Steel Corp. and Dominion Iron and Steel Co., by Dominion Steel and Coal Corp., through the exchange of shares. Nova Scotia Steel and Coal Co. was untouched. Thus at the present time Dominion Steel and Coal now holds all the common shares of Dominion Steel Corp., while the latter company's preferred stock was exchanged for Class "B" shares of Dominion Steel and Coal Corp.

The old British Empire Steel Corp. first preferred, second preferred and common shares were also exchanged for the "B" shares of the new company, while there was no change in the outstanding securities of Nova Scotia Steel and Coal Co. In short, the business of Besco, Dominion Steel Corp. and its subsidiary Dominion Iron and Steel Co., have been consolidated into one organization. Dominion Steel and Coal Corp., which through its acquisition of Besco, now owns or controls all the other companies which comprise the enterprise.

Can. Converters

Can you tell me what progress Canadian Converters Co. is making this year. I understand that the dividend rate has been cut; has the outlook improved recently?

Difficulties confronting Canadian Converters Co. have been illustrated by the reduction in dividend payments which have been cut from 7 per cent to the present rate of 4 per cent. Earnings in the last three years have dropped steadily, and in the last fiscal year were equal to $2.58 a share against dividend payments of $5. Accordingly it has been necessary to encroach on surplus in the past two years; at April 30, 1931, surplus was $597,279. During the current year our understanding is that no improvement has been recorded; indications are that earnings may again fall short of the current dividend.

Bell Telephone

I understand that revenue of the Bell Telephone Co. is lower this year, but the attractive yield of the shares today has made me consider an investment in these stocks. Do the shares rank well in spite of lower earnings?

Though revenue of Bell Telephone Co. is still running somewhat below dividend requirements, the shares do not occupy an unfavorable position. The company has paid dividends regularly at the current rate of 8 per cent for more than forty years, and various hearings before the Railway Commission at Ottawa have established a general understanding that rates charged by the company will be gauged to enable it to continue the 8 per cent rate. Accordingly, the shares are regarded favorably from an investment angle.

Canadian Car

I notice that the common shares of Canadian Car and Foundry are yielding about 20 per cent at current quotations. As I hold some of the preferred stock I am wondering whether my holdings are in danger. Can you advise me?

Though business of Canadian Car and Foundry Co. during the current year is on a lower scale than in 1930, it has been officially stated that, unless some unforeseen contingency arose, there was no reason why the company should not earn its dividends. Owing to conditions in Western Canada, it appears likely that railway companies will restrict their commitments for new equipment for some time; when they eventually return to the market, Canadian Car should benefit accordingly. In the meantime, it occupies a strong financial position, though the high yield of the shares indicates that investors do not see much encouragement in the immediate future. Preferred dividend requirements, however, are not large and these shares rank as a first charge on earnings.

McColl-Frontenac

Is McColl-Frontenac Oil Co. doing well this year? There seem to be many difficulties in the way of the oil producer. Does this affect McColl-Frontenac?

McColl-Frontenac Oil Co. has made progress, and our understanding is that operations this year have been well maintained. The company ranks as the third largest of its kind in Canada and has carried out a wide programme of expansion in recent years. The fact that it is not engaged in the production end of the oil business is a factor which works in favor of McColl-Frontenac, since producers are faced with over-production and low prices.

Steel of Canada

I hold some preferred and common shares of Steel Co. of Canada. Do you think that earnings will be lower this year, and do you think dividends will be maintained?

Steel Co. of Canada is regarded as a strong industrial organization. Though the statement for this year will show lower earnings, the company's financial position has enabled it to weather periods of depression in the past without interruption to dividends. Wide expansion of plant has been undertaken and this ploughing back of money into property has strengthened the equity of the common stock. All steel producers have felt adverse effects in the past year or so; Steel Co., however, should be quick to reflect an improvement in business conditions.

Irving Oil

As a reader of The Financial Post I take this opportunity of making an enquiry regarding Irving Oil Co. Where does this organization operate; has it done well in the past, and is it making progress this year?

Irving Oil Co. has made progress since its inception. The company confines its activities to the Maritime Provinces; considerable expansion has been undertaken and products are now distributed through more than 25 bulk stations to over 1,000 retail outlets. Earnings in 1930 were sufficient to cover preferred dividends and leave a substantial margin applicable to the common stock. Though no figures on profits during the current year have been published, our understanding is that the company is doing well. The fact that there is but $500,000 of preferred stock outstanding is a favorable factor in viewing the shares from an investment angle. Net profits in the fiscal year ended January 31, 1931, were $199,715, against preferred dividend requirements of $30,000. If the company continues to progress it may be expected that the common stock will eventually be placed on a cash dividend basis; the only distribution made on the junior security to date has been a stock dividend of 10 per cent, declared in 1930.

Dominion Bridge

As a reader of The Financial Post I would be obliged if you would give me an opinion on Dominion Bridge Co. I hold some of the stock and would like to have your views on the company's outlook.

While earnings of Dominion Bridge Co. are bound to fluctuate with industrial activity, the company obtains a good share of all business offering at any time. It has a fair volume of small orders on hand at present, while prospects for contracts in connection with the Canadian National Terminal in Montreal and construction of some large bridges in Quebec are favorable factors in viewing the future. Dominion Bridge occupies a strong financial position and its balance sheet at the end of its last fiscal year indicated that the company should be able to weather the current depression.

Provincial Paper

Please give me your opinion on Provincial Paper preferred which I can buy at or about $70.

Are the earnings of the company sufficient to warrant continuing payments of the preferred dividend?

Our information is that Provincial Paper Company will cover its preferred dividend requirements by a good margin this year and that there is no immediate prospect of these dividends being passed. Last year the preferred dividend was earned twice over. Sales this year are falling about 15 per cent to 20 per cent behind business of a year ago and as there has been a substantial reduction in expenses, it is expected that the decline in profits will not be much greater than that.

In the Mail

Stimson's Investors' Association

Editor, The Financial Post,

For some months past the above named association has been operating in this city and is endeavoring to foster the formation of branches in Ontario and the Maritime Provinces, where there are large numbers of Stimson's investors.

The association has fully investigated the position of the various issues and is in a position to supply such information and advice as the investors may desire.

While the attempt to have the Vancouver City Hall removed to the Marine Building here has been unsuccessful, the association's efforts in connection with the Merchants Exchange Building, also in this city, have been more encouraging and it is now felt that the face value can be maintained for bonds issued by G. A. Stimson and Co. and secured upon the said Merchant's Exchange property in this city.

These bondholders have commenced foreclosure proceedings and will shortly take over the property. A new company will be organized and the property will be operated for the sole benefit of these bondholders. To accomplish this it was necessary to raise new moneys and this has been done satisfactorily upon an issue of trustee's certificates. The total amount of trustee's certificates is $40,000 and approximately half of the amount has been subscribed by the bondholders.

It is now desired to undertake the re-organization of those interested in The Commerce and Transportation Building in your city. Probably a new company will be formed for the purpose, open to all investors in the various Stimson issues. The exact terms of this deal have not yet been formulated, but negotiations are now proceeding.

In the west the investors who are considered to be interested in the Commerce and Transportation Building are the holders of first charge debentures issued by Stimson's Canadian Development Co., the various issues of shares in Stimson's Buildings and Investment Co. and in the Commerce and Transportation Building Co.

The address of the association is 910 Stock Exchange Building, Vancouver, B.C.

W. H. PATTERSON,
Solicitor for Association.

Vancouver,
Sept. 14, 1931.

Wants Further Study

Editor,
The Financial Post:

I, no doubt in common with many of your readers, was very glad to read your article urging further investigation of the Beauharnois scandal.

Unless our capitalistic civilization can cleanse itself it will be destroyed and that within the next few years.

OBSERVER.

Victoria, B.C.,
Sept. 12, 1931.

CONTROL OF EXPENDITURES IN FORCE OCTOBER FIRST

(Continued from page 6)

they please. And the dozen or more accounting staffs will simply be abolished.

Charge Against Appropriation

A new branch of the finance department, under control of a Comptroller-General, to be appointed, will set up a ledger account for each appropriation approved by Parliament. When a department desires to make an expenditure against any of its accounts, the particulars will be forwarded to the Comptroller-General, who will deduct the amount of the expenditure from the total appropriation, and authorize the issuing of a cheque. Moreover, no commitment for an expenditure in the future may be made until the assent of the Comptroller has been received, and in this case, also, the amount involved will be deducted from the total appropriation. In this way, departments will be compelled to live within their means; the old practice of over-expanding will cease. It will be not only possible but quite easy for the Finance Minister to obtain a statement every day showing precisely the position in regard to expenditures and commitments. A policy of economy will be enforceable upon short notice. Thriftless ministers will be curbed.

The value of these reforms are quite obvious. From the purely administrative point of view, the cost of the Comptroller and his assistants will be more than offset by the saving in departmental auditors. The larger economies which undoubtedly will ensue will be a clear gain for the taxpayers.

Tighten Tax Collection

Vigorous action is being taken taken by Rt. Hon. R. B. Bennett, acting minister of finance, to tighten up the administration of the various Federal taxes, more particularly the excise, sales, and income taxes.

Teeth which were added to the Income Tax and the Special War Revenue Act, last session, are to be applied, in the hope that the national treasury will benefit and that the pressing need of revenue will be relieved. In regard to the excise and sales taxes, the new law demands from each licensee a sworn statement of his taxable sales. This statement must be sent in to the Government each month, and a penalty of $25 has been imposed for failure. This penalty is going to be enforced.

The monthly returns are to be filled not later than the last day of the month succeeding that in which the sales occurred. If no sales were made, then a statement to that effect is required.

All arrears in sales and excise taxes are to bear penalty interest at the rate of two thirds per cent per month, and if a licensee fails to pay taxes and penalties, either or both, the Government, after the elapse of 30 days arrears, will take a certificate judgment from the Exchequer Court and turn it over for execution to the sheriff of the district in which the business is operated.

Reorganize Department

The income tax department is undergoing a measure of reorganization. The offices at Prince Albert, Sask., and Brandon, Man., are being closed and the work transferred to Saskatoon and Winnipeg respectively. Other small offices of the department may be closed. An attempt to centralize the administration, make it more efficient is succeeding.

Some difficulty has arisen in the administration of the income tax because of the frequency with which corporations change their fiscal year. It has been the practice to allow a good deal of leeway in this regard, and the work of tax accounting has been interfered with unduly. Hereafter corporations will be permitted to change their fiscal year without direct permission from Ottawa. Generally speaking, however, no objection will be made to a change when the proposed fiscal year ends within the same calendar year as the old, but in no case will a taxpayer be allowed to defer payments over a year in this manner.

A FEW COPIES LEFT

HOW TO INVEST FOR PROFIT

GOOD VALUE FOR ONE DOLLAR

Here is a book on the fundamentals of investing written from the Canadian standpoint.
It deals with stocks; how to select them; how to judge their value; how to buy them; dealing with stock brokers, etc.
It deals with bonds; what they are; how they can be judged; how to buy them; how to sell them.
It discusses problems of different types of investors and what they should choose.
There is also valuable information on investment terms, table of stocks, yields, table of bond interests, stock exchange commission rates, etc.

"How to Invest for Profit" is printed in clear type on the best quality book paper and is bound in cloth. The price —$1.00.

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please enter my name to receive:
☐ How to Invest for Profit—$1.00 a copy.
☐ The Financial Post—$5.00 a year (52 issues).

Enclosed is $..................in payment.
Name ....
Address ....

797

One of the Real Bargains

Many first mortgage bonds, previously entitled to a good investment rating, can be bought today at discounts of 10% to 50%.

Which of these are real bargains? Which are low in price because the value of the investment has been seriously impaired?

A description of a high grade corporation bond which is some 20% cheaper today than three years ago although earnings of the company are 48% higher, will be mailed to any one interested.

Greenshields & Co
Investment Bankers
Members Montreal Stock Exchange
505 Place d'Armes, Montreal
OTTAWA TORONTO QUEBEC

133

OSLER & HAMMOND
Stock Brokers and Financial Agents

Members { *Toronto Stock Exchange*
Montreal Stock Exchange
Montreal Curb Market
New York Curb Market (Associate)

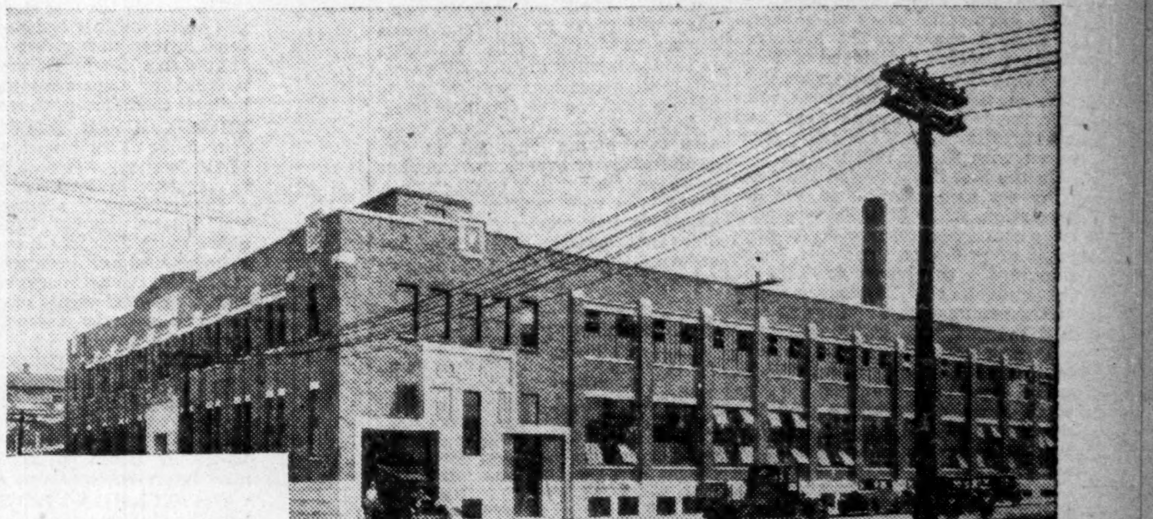
21 Jordan Street
TORONTO

215 St. James St. West
MONTREAL

Club Rooms for Rent
Yonge & College
3,000 sq. ft. of floor space
Handsome dining room and kitchen already equipped.
For further particulars apply
McWILLIAMS & BROUGHALL
25 King Street West
TORONTO
Elgin 4182

National Steel Car
Corporation Limited
Builders of Passenger Cars—Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts—Steel Pressings—Forgings—Drop Forgings.
HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

Performance...the best guide to leadership



43,500 sq. ft. of Barrett Specification Roofs (Bonded for 20 years) protect the Coca Cola plant at Montreal. General Contractor: John MacGregor, Limited, Montreal. Roofer: Geo. W. Reed & Co., Limited, Montreal.

Mr. Kenneth G. Rea, of Montreal, Fellow Royal Institute of British Architects, Architect

IN 1905, the famous Barrett Specification was first made up. Since that date the steady increase in the use of Barrett Specification materials and application methods is able testimony to the quality of those early Barrett Specification products and principles of practice.

Sixteen years ago, Barrett pioneered in bonding roofs against repair and maintenance expense. Barrett was the first to bond flashings, and to offer complete roof inspection service, and the Barrett organization of Approved Roofers was the first ever established.

Building owners, architects and contractors find in this record of Barrett leadership definite assurance that when they buy Barrett Specification Roofs they are buying the best pitch and felt that can be made, expert application by Barrett Approved Roofers, and Barrett's unmatched roof inspection service.

BARRETT COMPLETE ROOF SERVICE

The Barrett Company, Ltd., offers a complete roof service which includes the famous Barrett Specification Roof (Bonded for 20 or 15 years); Barrett Red Star Roofs; Barrett S. I. S. Roofings; Barrett Bonded Flashing Blocks and Forms; and Holt Roof Leader and Vent Connections. For advice on any roofing or waterproofing problem, consult with us or the Barrett Approved Roofer nearest you.

The Barrett Company LIMITED
Montreal Toronto Winnipeg Vancouver

Barrett Specification Roofs

ELECT STAVERT BOARD CHAIRMAN OF ALGOMA CORP.

W. C. Frany Appointed President of New Company

From Our Own Correspondent

MONTREAL.—Sir William Stavert has been elected chairman of the Board of Directors of Algoma Consolidated Corp. and W. C. Franz has been appointed president of the corporation and its subsidiary, Lake Superior Corp.

Sir William Stavert was for forty years engaged in Canadian banking having retired from the service of the Bank of Montreal in 1912. He has been associated with the Lake Superior group for many years and in 1912 was president of Spanish River Pulp and Paper Mills and Lake Superior Paper Co., both of which are now controlled by Abitibi Power and Paper Co.

Has Long Record

W. C. Franz is well known in railway and steel circles and has for a number of years been president of Algoma Steel Corp. His association with this group of companies extends back 23 years. Prior to joining Algoma Steel he was connected with Algoma Central Railway. Besides becoming president of Algoma Consolidated Corp. and Lake Superior Corp., Mr. Franz will continue as president of Algoma Steel Corp.

Alex. Taylor, previously mentioned in connection with the presidency of these two companies, is still in England, and has been prevented from resuming his connection with the companies owing to ill health.

Pay Bond Interest

The directors of Algoma Consolidated have declared payment on October 1 of the regular interest on the 5 per cent first and refunding mortgage bonds of Algoma Steel. Corp. Following a recent meeting, it was stated that Algoma Consolidated Corp., as a holding company, now owns 378,108 shares of Lake Superior Corp., out of a total of 400,000 shares. The fiscal year of the new company comes to and end on March 31, 1932, after which date the financial statement will be prepared and issued.

In the meantime the annual financial report of Lake Superior Corp. is now in course of preparation and will be made available in the near future to remaining shareholders as well as shareholders of Algoma Consolidated Corp. who were formerly Lake Superior shareholders.

CANADA CEMENT HOLDS EARNINGS AT 1930 LEVELS

No Apparent Reason for Decline in Preferred

From Our Own Correspondent

MONTREAL.—Earnings of Canada Cement Co. for the fiscal year ended November 30, 1931, will be approximately the same as those of the previous period, according to officials of the company, a statement which is encouraging in view of the decline in the preferred stock. These shares have recently fallen to levels of around 65 at which price they return ten per cent.

In the opinion of J. D. Johnson, president of the company, the liquidation in the preferred has been due to forced selling on a weak market; the decline, he stated, was in no way due to any change in the company's operations.

Earned Preferred Dividend

Earnings of Canada Cement Co. in the year ended November, 30, 1930, were equal after all charges, to $7.46 a share on the preferred stock, on which a dividend of $6.50 is paid. Gross earnings were $5,187,495, a decrease of about $22,000 from the previous year and net profits were $1,566,015 compared with $1,600,702 in 1929.

In the last fiscal period the company set aside $2,055,344 for depreciation, while $250,000 was added to contingent reserve. After payment of preferred dividends, there remained a surplus of $202,282 or the equivalent of 33 cents a share on the common stock. Surplus carried forward was $6,871,892.

During 1930, the company's sales fell off to some extent but the decrease was most marked in the small class of buildings and the steamer trade. Increased efficiencies and economies in production and distribution, however, enables Canada Cement to compensate to a considerable extent for the reduction in volume of sales.

Consolidated Oka Sand Earnings Maintained

From Our Own Correspondent

MONTREAL. — Both earnings and business of Consolidated Oka Sand and Gravel Co. in the first eight months of this year are reported as being maintained at approximately the same level as last year. While selling prices are lower, profits have been maintained by decreased cost of labor and materials.

In 1930 net earnings of the company totalled $158,260 and after write-offs, there remained a net profit of $64,127 compared with $97,605 in 1929.

Preferred dividend requirements in 1930 were $49,119, leaving a surplus of $15,008 applicable to the common stock. This was equal to 72 cents a share, against $2.30 a share in the previous year.

Consolidated Oka Sand owns sand and gravel deposits in Quebec and operates a fleet of tugs, barges and dredges, together with discharging and distributing plants on the Lachine Canal.

Canadian Industries Let Cellophane Plant Contract

From Our Own Correspondent

MONTREAL.—Canadian Industries Ltd. have awarded contract for the construction of their new cellophane plant to the Fraser Brace Engineering Co., Montreal. The new plant, which will turn out cellophone wrapping paper, will be located at Shawinigan Falls, instead of Three Rivers as originally intended, and will involve an expenditure of over $1,000,000 which includes cost of equipment.

Cellophane is a transparent cellulose product, manufactured from wood pulp, and is used as a wrapping for cigars, cigarettes, perfumes, foodstuffs and many other articles. The product will be a new one for Canada, large quantities being now imported.

The new plant is expected to be in a position to supply the domestic market early next year.

STANFORDS LTD. FAILS TO RAISE WORKING CAPITAL

Company Declared Bankrupt—Receiving Order Issued

From Our Own Correspondent

MONTREAL.—After struggling against the prospect of insolvency for some months, Stanfords Ltd., operating a chain of 10 meat markets in Montreal, has been declared bankrupt and a receiving order has been issued. D. L. Ross of Clarkson, McDonald, Currie & Company, have been appointed custodian of the estate. The first meeting of creditors will be held on September 28, in Montreal.

In July, it was stated that unless the company could obtain some working capital immediately, prospects were that it would have to go into bankruptcy. At that time the banks were carrying an overdraft of $150,000 and it was reported that further cheques would not be honored. Efforts have been made to sell the company's Mansfield Street property but no success in this connection has been achieved.

Mansfield Unit Valuable

The structure on Mansfield Street is the principal asset of the company, and has a civic valuation at $195,000 with a mortgage against it of $125,000. It is stated that two real estate firms have placed a valuation of about $225,000 on the property.

Stanfords was formed in 1927 with a capitalization of $500,000 seven per cent first preferred; $200,000 seven per cent second preferred, and 20,000 shares of no par common stock. The company got into difficulties in 1930, and arrangements were made whereby a management contract was signed with William B. Nichols & Co., a New York concern specializing in management of chain stores.

The management claimed that the volume of sales had been increased but due to the decline in commodity prices, dollar volume of business had dropped off; though expenses had been cut to a low point, it had been impossible to build up working capital.

ROBT. MITCHELL UNFILLED ORDERS RECORD INCREASE

Dividend on Common Reported Earned for Year

From Our Own Correspondent

MONTREAL. — Unfilled orders of Robert Mitchell Co., which had declined steadily since the beginning of the year, have shown improvement since the beginning of September. This long delayed betterment is considered a healthy sign and coupled with economies in operation which have been instituted during the present year, indicates a relatively satisfactory outlook for the balance of the year.

Earnings are understood to be sufficient to cover all dividends paid to date. Directors recently declared the regular disbursement of 25 cents a share on the 70,000 shares of common stock, payable October 15. The current rate of $1 a share has been paid for the last two years.

Cover Full Dividends

Though earnings of Robert Mitchell Co. are likely to show a decline from those of last year, the recent improvement in unfilled orders together with the fact that dividends to date have been earned indicate a likelihood that the company will cover its dividend needs for the 12 months period. Earnings in 1930 amounted to $211,466 which, after all deductions was equal to $2.05 a share on the common stock.

Robert Mitchell Co., which operates two plants engaged in the manufacture of bronze and iron, has felt the effects of low copper prices. Inventories were written down substantially last year and it is probable that further contraction has occurred this year due to continued falling off in the price of copper.

Bankruptcy Petition Against C. B. Grier & Co.

From Our Own Correspondent

MONTREAL.—A petition in bankruptcy has been filed against the stock brokerage firm of C. B. Grier and Co., members of the Montreal Stock Exchange and the Montreal Curb market. The firm's trading privileges on both exchanges have been suspended. It is understood the company will contest the petition, and the matter will likely come up for hearing in the course of the next two weeks.

Liabilities of the company are said to be comparatively light, total loans being in the neighborhood of $200,000. An effort toward settlement will be made with clients, which if successful, will obviate the necessity of appointing a liquidator.

The firm holds two seats, one on the Montreal Stock Exchange in the name of C. B. Grier and on the Montreal Curb by E. T. Cleveland. The partners are C. B. Grier, W. E. Burke, and E. T. Cleveland.

Wabana Operations Further Curtailed

From Our Own Correspondent

MONTREAL.—Dominion Steel and Coal Corp. has announced a further curtailment in operation at its Wabana mines on Bell Island. All mines, mechanical and electrical departments and general surface work closed on September 14 and did not resume activity until September 24. Stock pile shovels, haulage lines and shipping, however, continued as usual to operate as required.

The new arrangement meant that two days were cut off the former week through the ten day cessation. It is understood that four days every two weeks will be worked instead of six. Working time will be one third instead of one half as formerly or a total of 8 days a month. Reduction of ore shipments to Germany is reported to be the reason for the new decline in the working period.

August Shipments

During August, shipments from the mines totalled 65,176 tons compared with 117,715 tons in July. Total shipments this year to September 1, were 449,918 tons against 839,535 tons in the same period last year.

Of the total shipped in 1931 to September 1, Germany absorbed 275,159 tons, Sydney, 151,839 tons and 22,920 tons were shipped to the United States.

British Columbia Power Corporation

LIMITED
and Subsidiaries

THIRD ANNUAL REPORT

of the Directors, to be Submitted at the Third Annual Meeting of the Shareholders to be held on Monday, 5th October, 1931

President: W. G. Murrin

Vice-Presidents:
A. T. Goward E. H. Adams J. I. Newell

DIRECTORS

Hon. Sir F. S. Barnard, K.C.M.G. C. E. Calder John Davidson
S. Godin. Jr. A. T. Goward J. H. Gundy Andrew P. Holt
Sir Herbert Holt George Kidd W. G. Murrin A. J. Nesbitt
Rt. Hon. Viscount Rothermere P. A. Thomson W. G. Blake Wilson
J. B. Woodyatt

Secretary: E. Rogers Treasurer: E. H. Adams

To the Shareholders:

Your Directors beg to submit the following Report and Financial Statements covering the operations of your Company and its Subsidiaries for the year ended 30th June, 1931.

INCOME AND EXPENSE STATEMENT

Gross Revenue		$15,119,945.62
Expenses:		
Operating Expenses	$7,231,984.77	
Taxes	994,438.00	
Depreciation and Renewals Reserve	1,870,965.14	
		10,097,387.91
Net Revenue		$5,022,557.71
Deduct—		
Bond Interest, Proportion of Bond Discount written off and Preference Dividends		2,585,741.82
		$2,436,815.89
Dividends on Class A Shares for the year		2,000,000.00
Surplus for the year		$ 436,815.89

REVENUE

Notwithstanding the general depression in business, it is satisfactory to record increased earnings in the Electric and Gas Departments. This increase has been brought about by the addition during the year of 4,900 electric consumers and 2,400 gas consumers, and by increased sales of appliances consuming gas and electricity.

Due to the reduced number of passengers carried and the smaller quantity of freight hauled, the earnings of the transportation department show a reduction compared with last year. This is a condition prevailing in all transportation systems affecting both passenger and freight traffic throughout the country.

The gross revenue from all sources, in consequence of reduced railway earnings, shows a decline of $314,396. compared with last year.

EXPENSES

It will be remembered that during the financial year 1930 the expenses of operation were substantially increased as a result of the serious water shortage. The absence of water shortage expenses this year, together with other economies in operation which we have been able to effect, have enabled us to decrease the operating expenses by $1,047,046.

NET REVENUE AND SURPLUS

As a result of the economies referred to and the absence of water shortage expenses, there is a surplus of revenue amounting to $436,816.00, after providing depreciation and paying interest and fixed dividends, as well as the usual dividend of $2.00 per share on the Corporation's "A" Stock. This compares with a surplus of $188,194.00 last year.

PLANT ADDITIONS AND BETTERMENTS

The expenditures during the year on additional electric plant, together with the extension of electric and gas services and improvements and additions to other sections of the Company's business amounted to $5,015,968.00.

RUSKIN DEVELOPMENT—The construction of the first unit of 47,000 h.p. at Ruskin was completed and brought into operation in November, 1930. The plant was opened and dedicated to the public service on November 18th by Lieutenant-Governor Randolph Bruce and Premier Tolmie, representing the Province of British Columbia. There were also present on this occasion the Mayors and Aldermen of all the cities and municipalities on the Lower Mainland, together with representatives of all public bodies.

This plant with its two independent transmission lines was completed in record time. In view of its proximity to the power demand centres it constitutes a further assurance of additional and uninterrupted power supply, as well as being of great value for emergency purposes for which it was particularly designed.

This is only the first stage in the construction of this plant, which is designed for the installation of three further units giving an ultimate capacity of 188,000 h.p. These additional units can be readily installed to take advantage of any change in business conditions or to meet emergencies.

BRIDGE RIVER DEVELOPMENT—The concrete lining of the tunnel, 16 feet in diameter and 13,215 feet long, has been proceeded with and will be completed in October, 1931.

The survey work, acquisition and clearing of the main transmission line, have been practically completed and designs for the machinery and equipment to be installed have been prepared, so that this additional plant can be brought into service in accordance with the general scheme of power development prepared to meet the power demand in the districts served.

JORDAN RIVER DEVELOPMENT—An additional generating unit of 18,000 h.p. was installed and completed in January, 1931. This installation, together with the pipe line and subsequent flume enlargement, insures to the territories served on Vancouver Island an ample supply of power to meet future requirements.

CAMPBELL RIVER DEVELOPMENT—The preliminary plans for the development of this hydroelectric site on Vancouver Island have been prepared and submitted to the Provincial Water Board so that construction work can proceed along with any definite plans for industrial development in this section, as well as providing for future power demands on the Island.

NEW PROPERTIES—Plant improvements and service extensions have been made in connection with the more recently acquired properties at Kamloops, and in the Alberni, Qualicum and Parksville Districts on Vancouver Island.

The Agassiz District has been connected to our main transmission system by the construction of a new line, enabling us to dispense with the local plant which was expensive and unreliable.

DISTRIBUTION SYSTEM—The extension of the distribution system in the suburban and rural districts, together with additions to substation equipment and machinery to meet future growth and demand, called for considerable capital outlay. The work of rearranging and enlarging the Horne-Payne and North Vancouver substations brings these stations up to a high state of efficiency.

The changing over of the distribution system from 2000 to 4000 volts has continued during the year, and the enlargement of the Burnaby Substation, to accommodate the additional equipment incidental to the bringing in of Ruskin Power, has been completed.

TRANSPORTATION SYSTEM—With the growth in population in the suburban areas, additional facilities in the form of buses acting as feeders to the railway system have been provided.

Arrangements were made for the extension of one-man operation on additional lines, and structural alterations were carried out on a number of street cars to provide for this method of operation.

GAS SYSTEM—Thirty three miles of gas mains were installed during the year. To meet the increased demand for gas service, and to provide for future growth, plans have already been made for the construction during the coming year of an additional coal gas generating plant with a capacity of 3,000,000 cubic feet per day. It is anticipated that with the completion of this plant the consumption of British Columbia coal will amount to 100,000 tons per annum, which should be of considerable benefit to the coal industry in offsetting to some extent the competition of imported fuel oil.

GENERAL OPERATIONS

LIGHT & POWER SYSTEM—While there has been a considerable reduction in the use of industrial power in consequence of the business depression, the total consumption of energy, due to intensive sales effort, has resulted in an increase over previous years as follows:

	K.W.H.	Consumers	Motor Load in H.P.
1931	372,282,045	118,267	157,100
1930	351,047,572	110,436	151,244
1929	342,627,810	105,908	141,378
1928	290,405,805	100,337	128,341
1927	263,720,953	94,611	121,747

LIGHT & POWER RATES—Further reductions in the Domestic and Commercial rates took place in the Fraser Valley Districts and in West Vancouver. These reductions in rates, averaging about twenty per cent., will result in a very considerable saving to the consumers in these areas.

It has been the policy of the Company to reduce rates whenever possible. The rates charged for light and power, both for domestic and commercial use, in the various districts served by the Company are among the lowest on the Pacific Coast and bear very favourable comparison with any city in Canada or the United States with which they may reasonably be compared.

The consolidation of services, whereby all energy for lighting, cooking and heating purposes is measured through one metor, has enabled consumers to take advantage of the 2c. rate for a substantial part of their energy requirements.

GAS SYSTEM—The winter of 1930-31 was extremely mild, and as a result the demand for gas for heating purposes was below normal. In spite of this with the greater number of heating installations completed during the year and the increased consumption of domestic gas, the total quantity of gas sold shows an increase, as will be seen from the following figures:

	Gas Sold Cubic Feet	Gas Consumers	Miles of Mains
1931	1,272,870,000	50,697	572.42
1930	1,263,048,000	48,307	539.02
1929	1,192,433,000	45,163	491.33
1928	1,070,810,000	41,144	441.92
1927	977,902,000	36,484	372.82

RAILWAY SYSTEM—In common with all other transportation concerns, the general decline in business activity has been most keenly felt in our railway business. The slowing up in the building trade, and the condition of the lumber business on which so many industries are dependent, are largely responsible for the decline in the number of passengers carried. Notwithstanding the reduction in passengers carried, the railway services have been kept up to the highest standards of efficiency. The number of car miles operated over the railway system shows an increase over the previous year of 561,000 miles as the result of the increased number of cars in service, particularly during rush hours.

Our freight revenue is earned very largely through our participation in the movement of transcontinental freight in conjunction with the steam railroads with which our system is connected. In common with all steam railways the freight department tonnage and receipts show a heavy decline owing to the reduced movement of lumber products and the smaller quantity of incoming transcontinental freight brought into the districts served by our interurban freight lines.

The passengers carried and freight tonnage compare with previous years as follows:

	Passengers Carried	Freight Tonnage
1931	74,249,659	343,320
1930	76,113,550	454,111
1929	77,694,731	533,391
1928	77,063,656	487,896
1927	75,113,022	481,690

NEW FINANCING

To provide for the redemption of the £770,000 5% 1944 Debentures of the British Columbia Electric Railway Company, Limited, which took place on 15th June, 1931, a further issue of $4,000,000 5% Collateral Trust Sinking Fund Bonds, Series "B", was made. This refinancing represents a saving in interest charges, as the Company, in addition to the interest rate of 5%, was obligated to pay British Income Tax at the rate of 4/6 in the pound sterling on the issue of 1944 Debentures, bringing the total annual charges on these debentures up to approximately 6¼%.

TAXATION

The burden of taxation on the Company continues increasingly heavy, and with the 25% increase in taxes to be imposed by the Dominion and Provincial Governments, together with increases in municipal taxes, will constitute a very serious charge against the Company's revenues.

The following is a comparison of the taxes imposed by the Dominion, Provincial and Municipal authorities during the last five years:

1931	$994,438.00
1930	965,169.00
1929	934,985.00
1928	891,143.00
1927	831,550.00

The above taxes do not include indirect taxes, in the nature of sales tax on materials, stamp and other revenue taxes, which amount to a considerable sum.

While there can be no possible objection to contributing a fair and just amount towards the cost of administering the affairs of the country, it must be recognized that any amount in excess of this is an unfair burden on the industry and can only be collected by the Company through the medium of rates and charges for the services performed.

EMPLOYEES

The number of employees on the payroll at 30th June, 1931, was 4,000, and the Directors desire to express their appreciation to all members of the staff for their loyalty and efficiency, and to record the harmonious relationship existing in all branches of the service.

MAINTENANCE OF PROPERTY AND PLANT

The properties and plants of the various operating Companies have been maintained in the same high state of efficiency as heretofore, due regard being given to the comfort and needs of the Public whom we serve.

GENERAL

In the conduct of our business many interviews and discussions take place with Provincial, Civic and Municipal authorities, and it is a pleasure to be able to refer to the friendly and harmonious manner in which all our negotiations have been carried on.

A special committee of the Vancouver City Council was appointed to consult with the Company, particularly on transportation matters, and your Directors are appreciative of the assistance and cooperation of this Committeee.

At a time when we are passing through an unprecedented world-wide business depression, the Accounts submitted herewith show that the Company is in a sound financial position. The programme of construction and development which has brought many additional facilities to completion has placed the Company in a position to adequately take care of its responsibilities in furnishing the important services connected with the power, transportation and gas businesses, together with the growth which may be anticipated in the demand for these services with the return of more normal business conditions.

The large sum of money which the Company has expended on labor and materials, in connection with the maintenance of its properties and in the construction and extension of its facilities, is a material factor in the welfare of the districts in which we operate.

A very large part of the material used is purchased in British Columbia and almost entirely in Canada, and the expenditure on wages, amounting to $6,750,000 for the year, assures steady and remunerative employment to a large number of men and women.

AUDIT OF ACCOUNTS

The Balance Sheet and Accounts have been certified by Messrs. Price, Waterhouse and Co. Chartered Accountants, whose report is attached.

Respectfully submitted on behalf of the Board.

W. G. MURRIN,
President.

CONSOLIDATED BALANCE SHEET

as at June 30th, 1931

ASSETS

Current and Working Assets:		
Cash at Bank and at Call	$3,151,931.09	
Investments	1,308,722.83	
Accounts Receivable	1,487,100.33	
Insurance Unexpired and Prepaid Items	102,728.08	
Employees Housing Loans, Mortgages, etc.	715,481.83	
Stores, Materials and Supplies	2,124,357.42	
		$8,890,321.58
Sinking Fund—Vancouver Power Co. Ltd. 4½% Debentures:		
Cash and Securities in hands of Trustees		338,400.84
Bond Discount—Balance		355,862.00
Fixed Assets:		
Balance as at June 30, 1930, and additions during year		134,840,485.76
		$144,425,070.18

LIABILITIES

Current and Accrued Liabilities:		
Accounts Payable including reserve for income taxes	$2,469,082.77	
Debenture and Bond Interest accrued	504,455.32	
Dividends declared, since paid	749,702.95	
		$3,723,241.04
Bonded Debt		39,065,149.60
Capital Stocks of Subsidiary Companies held by Public:		
British Columbia Electric Railway Co. Ltd.—		
5% Cumulative Perpetual Preference Stock	$6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.—		
6% Cumulative Preference Shares	5,000,000.00	
Minority Shareholders of Subsidiary Companies	98,775.81	
		12,082,775.81
Reserves:		
Depreciation and Renewals	$21,220,423.10	
General and Accident	1,504,942.49	
		22,725,365.59
Capital Stock and Surpluses (as per statement attached)		66,828,538.14
Represented by— 1,000,000 Class A Shares and 1,000,000 Class B Shares, part of an authorized issued of 1,500,000 Class A Shares and 1,500,000 Class B Shares, both classes without nominal or par value.		
		$144,425,070.18

Approved on behalf of the Board: W. G. MURRIN, Director.
GEORGE KIDD, Director.

Submitted with our Report dated August 17, 1931.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

AUDITORS' REPORT

To the Shareholders of the
British Columbia Power Corporation Limited:

We have examined the Books and Accounts of the British Columbia Power Corporation Limited, and its Subsidiary Companies, for the year ended June 30, 1931, and have obtained all the information and explanations which we have required.

The charges to the Plant and Equipment Accounts during the year are in respect of actual additions, extensions or permanent improvements. Adequate provision has been made for Depreciation and Accruing Renewals.

The valuations of the stocks of Stores, Materials and Supplies on hand, as shown by inventories certified by the responsible officials, have been verified as made at average cost.

Full provision has been made for Bad and Doubtful Accounts Receivable and for all ascertainable liabilities.

We have verified the cash and investments by actual count, or by certificates from the depositaries, and have satisfied ourselves that the investments are valued at market.

The Bonded Debt and Capital Stocks outstanding have been confirmed by certificates from the Trustees and Registrars.

And we certify that, in our opinion, the attached Consolidated Balance Sheet at June 30, 1931, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the several Companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Vancouver, B. C., August 17th, 1931.

CAPITAL STOCK AND CONSOLIDATED SURPLUS AND PROFIT AND LOSS ACCOUNT

as at June 30th, 1931.

Capital Stock and Surpluses:				
Balance as at June 30, 1930				$65,365,764.59
Profit and Loss Account:				
Balance as at June 30, 1930			$1,025,957.66	
Year ended June 30, 1931				
Gross Revenue		$15,119,945.62		
Less—				
Operating Expenses including Municipal Taxes	$7,779,963.84			
Provision for Depreciation and Renewals	1,870,965.14			
Provision for Income Taxes	446,458.93			
		10,097,387.91		
Net Revenue		5,022,557.71		
Deduct—				
Interest on Bonded Debt, proportion of Bond Discount written off and Dividends on Preference Stocks of Subsidiary Companies		2,585,741.82		
			2,436,815.89	
			$3,462,773.55	
Deduct—				
Dividends on Class A Shares for the year ended June 30, 1931			2,000,000.00	
				1,462,773.55
Balance carried forward				$66,828,538.14

SECOND SECTION

Featuring City and Port of Sarnia, Ontario

THE FINANCIAL POST

SECOND SECTION

Vol. XXIV
Member of Audit Bureau of Circulations
PUBLICATION OFFICE: TORONTO, SEPTEMBER 26, 1931
10c a Copy; $5.00 a Year
No. 39

SARNIA GROWS AS PORT, AND IN INDUSTRY AND MARKETING

SARNIA HARBOR IS ONE OF BEST ON WATERWAY

Convenient of Access, Room for Expansion, Safe in Winter

DREDGED TO 22 FEET

Largest Lake Freighters, Loaded, Use Dockage—C. S. Lines and C. N. R. at Point Edward

Sarnia's harbor is one of the best on the Great Lakes. It is not the largest but it is capable of being expanded indefinitely as there is ample potential dockage the whole 30 miles of length of the St. Clair River.

Sarnia lies on the Canadian side of the St. Clair River at the foot of Lake Huron. The gradually narrowing lake makes the approach in time of storm as safe as any on the lakes.

Room For Expansion

As will be seen from the map published elsewhere in this issue, the Sarnia harbor proper begins a short distance from the head of the St. Clair River. The deep-water channel broadens beyond the tongue of land and in the backwater is located the Sarnia elevator, the government wharf and safe dockage for twenty or more of the largest lake freighters. A winter harbor has been created on the shoreward side of the tongue of land. The balance of Sarnia Bay is made land and this substantial acreage, as well as much other acreage, is available for industrial purposes.

Dredging has been carried out by the government to a depth of 23 feet. In the current year the harbor line has been extended to include further dock space to the southwest of the government wharf and this will be dredged as required. During the navigation season, an engineer of the department of public works maintains an office at Sarnia.

The main wharves of the Northern Navigation Co. (a division of the Canada Steamship Lines) are at Point Edward, which is right at the head of the river, a few minutes motor ride from the centre of the business district at Sarnia. It is at Point Edward that passengers and freight are embarked and disembarked from the Huronic, Noronic and Hamonic on their weekly passages up the lakes. The Canada Steamship Lines passenger steamers make direct connections with trains of the Canadian National Railways. The railway maintains trackage right to the wharves for freight and passenger services.

Until the present year, Steel Co. of Canada maintained an ore-unloading wharf at Point Edward. The iron ore came from Minnesota and was shipped from Point Edward to Hamilton by rail. Now that the Welland Canal has been enlarged, the haul is entirely by water.

This is a loss of business for Sarnia and Point Edward. But these communities do not see the business as a permanent loss. There are reported to be negotiations in progress which may lead to the wharf being taken over by a coal company interested in the coaling of ships. Sarnia, in any event, expects eventually to benefit from enlargement of the Welland Canal and the St. Lawrence development which lake shippers believe will be the inevitable consequence of enabling the largest freighters to enter Lake Ontario. Sarnia's advantages as point of transshipment, it is contended, have been many times demonstrated and any development which increases the traffic on the Great Lakes will benefit Sarnia.

Sarnia Salt Could Supply Canada Total

There is enough salt under the surface at Sarnia to season all the porridge consumed in Canada for many, many years. In fact, the known resources of the Dominion Salt Co. at Sarnia would supply the entire Canadian market with salt for all purposes for many years.

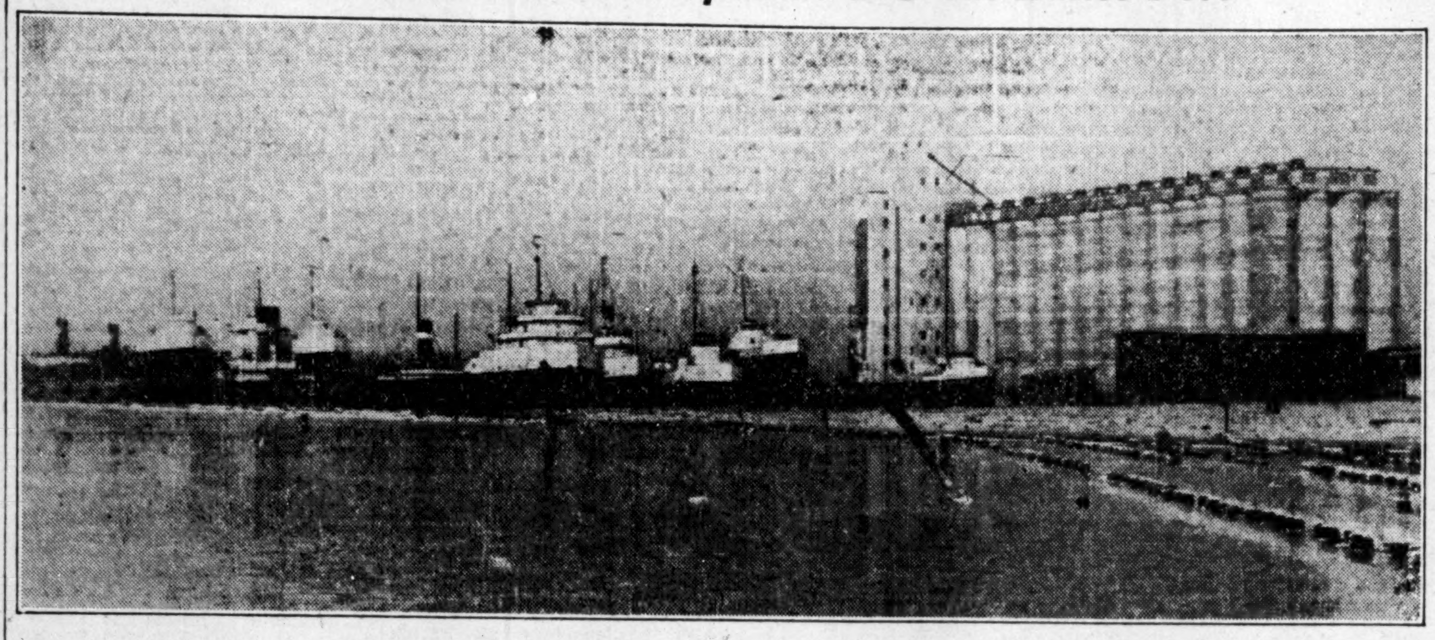
There is salt in Essex county, in the Maritime provinces and in Western Canada. In all, there are eight firms which in 1930 sold 271,695 tons. And Canadians imported 128,385 tons. The imports were mostly in fancy packages, the ordinary table salt being supplied by Canadian companies.

Installed capacity of plants in Canada would permit the industry to supply the country's needs. The Ontario companies cannot, of course, economically ship salt for the fishing trade to Nova Scotia, but there is a growing demand for the specially packaged goods and in this branch of the business Dominion Salt Co. is a leader.

The quality of the salt produced at Sarnia is high and although the salt business has suffered from the depression, it has been benefitted somewhat by the tariff. The decrease for the industry, including the Sarnia branch of that industry was 17.7 per cent as compared with 1929. Imports, however, decreased 27 per cent in the year.

J. H. Danner is head of the Dominion Salt Co. in Sarnia. Mr. Danner this year is president of the chamber of commerce and for many years has been active in the civic life of the community. Dominion Salt Co. is controlled by Western Canada Flour Mills, Ltd.

How Sarnia Has Developed as a Great Lakes Port



This remarkable photograph not only shows the Sarnia elevator, which is an important transfer and storage house for U. S. as well as Canadian grain, but shows a number of the largest lake freighters laying up during the winter season. In the middle foreground is the Le Moyne, Canada Steamship Lines vessel which is the largest freighter on the lakes. Photo by Bury, Sarnia.

Sarnia Growth is Result Of Natural Advantages And Progressive Spirit

Location at Foot of Lake Huron Brings Prosperity and Steady Progress Over Period of a Century

HAS RAIL, WATER, HIGHWAY FACILITIES

Favorable Climate, Extensive Civic Improvements, Reasonable Taxation, Excellent Schools, Aid Manufacturers by Providing Attractive Living Conditions for Persons With Average Income

Sarnia's natural advantages are its location at the foot of Lake Huron, a splendid harbor and its proximity to the natural-gas fields of Ontario.

Sarnia's developed advantages are its improved harbor, its location on the main line of the Canadian National Railways between Chicago and Montreal, its existence as a gateway for highway traffic between Canada and the United States, its use of Niagara Falls power, its moderate climate outside the snowbelt, its civic improvements and excellent educational facilities, and its reasonable taxation.

Has Many Advantages

Sarnia is an example of a community which has been created by the logic of events although an early government selected another site, fourteen miles east on the shore of Lake Huron, as the principal town in the district. This town, Errol, has long since disappeared, while Sarnia has been growing steadily for a century. Corunna, another town laid out on government auspices, remains a village.

No city in Canada has greater advantages than has Sarnia for the assembling of raw material, and the manufacture and distribution of goods. A steel plant, for instance, could obtain by the water route its ore, limestone and coal. Sarnia is close to the major labor markets. There is ample power and natural gas. Finished goods are shipped by water up the lakes or down the lakes, or by rail to the markets of Central Canada.

What applies to a heavy industry such as steel, also applies to lighter forms of manufacturing. Sarnia's existence on the main channel of Great Lakes traffic makes available the package freight steamers which ply the inland waters. The railway connections and facilities and the highways leading to principal cities of the continent, are available to industries located in Sarnia.

Attracts Branch Plants

The nearness of Sarnia to so many manufacturing centres in the United States makes Sarnia an excellent, often an ideal, location for branch plants of United States companies which desire to create, develop or hold Canadian trade.

Sarnia has all the advantages of the large city with none of the disadvantages. It is large enough to afford all the conveniences of the metropolis, yet small enough to permit substantial growth without creating those conditions which are causing so many companies to seek smaller centres for their manufacturing activities.

First-class passenger trains place Sarnia within five to sixteen hours of Toronto, Montreal, New York, Philadelphia, Pittsburgh, Chicago and St. Louis. Detroit is only 60 miles distant by rail, water or direct motor highway. Sarnia thus is convenient for executive supervision.

Pipeline from Ohio

What Sarnia can do for new manufacturers is demonstrated by what Sarnia has done for manufacturers already located there. Sarnia has the largest oil refineries in Canada and Imperial Oil, Ltd., constantly is expanding and improving its facilities. A pipeline from Cygnet, O., under the St. Clair river, makes available the crude oil from the Pennsylvania, Ohio, and Midcontinent fields. Another pipeline, from Petrolia, brings the crude from the Ontario field. The Petrolia field, within 30 miles of Sarnia, has been a producer for many years.

Motor fuel and many other petroleum products are shipped from the Sarnia refineries by water to Fort William to serve a large part of the Prairie market. Tank cars carry the company's products throughout the greater part of the Ontario market. Present heads of Imperial Oil, Ltd., agree that Sarnia remains an excellent location for the company's principal refineries. The years have proved the wisdom of the choice although conditions have changed since illuminating oil was the main product.

An example of natural advantages bringing a plant also exists in Muellers, Ltd., manufacturers of plumbing and similar goods. The home office of this company is in Decatur, Ill., and Sarnia was selected for the Canadian plant after exhaustive investigation of the claims of many other communities. Muellers Ltd. went to Sarnia partly because of the convenience of the place in relation to the main plant, but more particularly because of the several advantages which Sarnia had to offer, including a good labor market and the ease of distribution to both Eastern and Western Canada. In course of time, Muellers Ltd. has been thoroughly assimilated and today, as for a number of years past, it is more than a branch in so far as operations are concerned; in the course of the next few years the range of its manufacture will be broader than the range of products of the parent company. The right location has enabled the Canadian company to grow.

There are a number of other examples. One company manufactures ignition systems for automobiles and has been successful in Sarnia though it had the choice of communities where the motor industry is centred. The success of the Sarnia elevator, and the fact that it handles a considerable amount of grain in the United States is proof that Sarnia is an important, even a vital link in the chain of lake ports which are destined to grow as the inland water transportation system is improved and grain in ever-increasing quantities flows from the western part of the continent to the eastern overseas markets.

Sarnia is geographically a part of Lambton county, which is one of the most fertile agricultural districts

(Continued on page 12)

City Building Permits Are $633,899 in Year

The record of building permits in Sarnia in the last six years has been as follows:

1925	$ 725,698
1926	601,646
1927	1,064,415
1928	814,586
1929	1,021,962
1930	633,899

LAMBTON FARMS ARE AMONG BEST IN ALL CANADA

Wide Variety of Products, from Prize Cattle to Tobacco

Lambton county, of which Sarnia is geographically a part, is one of the finest agricultural regions in Canada. The yield per acre is one of the highest in the country. All kinds of grain are grown and in the last few years tobacco has become a successful crop after only a few years of experimentation.

The county is noted for its dairy herds and its apples in particular. Fruit growing is an extensive, established industry and much of the wealth of the district is based on the success over a long term of years of the agricultural community.

536,000 Cleared Acres

Government figures show that Lambton county has more than 330,000 acres in field crops, the value of which land is in excess of $9,500,000. There are, in all, 660,000 acres of land assessed, of which 536,162 is cleared. There are 11,254 acres in orchards and 1,043 acres in small fruits. There are 20,000 horses, 94,000 head of cattle, 27,500 sheep, 67,000 swine, and 840,000 poultry.

The value of farm property, implements and livestock is estimated at $65,000,000.

Among the most successful crops are celery, corn, flax, tobacco, sugar beets and grapes.

Became County in 1852

The municipalities comprising Lambton county, including incorporated towns and villages, are Alvinston, Arkona, Boasanquet, Brooke, Courtright, Dawn, Euphemia, Enniskillen, Forest, Moore, Oil Springs, Petrolia, Point Edward, Plympton, Sarnia township, Sombra township, Thedford, Warwick, Watford, Wyoming. The reeves of villages and the reeves and deputy reeves of towns and townships comprise the county council. The 1931 warden is James A. Currie, of Dresden (who represents the township of Dawn). The city of Sarnia is a separate administrative unit, paying a proportion of the cost of administration of justice, land registry, etc.

Lambton county came into existence in 1852 as a subdivision of the county of Kent. It is notable, among other things, for its freedom from debenture debt.

It is pointed out in a pamphlet compiled by A. J. Johnston, sheriff, and published by the county council, that the agitation to form a new county of the northern townships of Kent went on for ten years or more before the legislature of Canada was able to accede to the request. The reason for the delay had to do with the allocation of seats in parliament between Upper and Lower Canada. Upper Canada grew more rapidly than Lower Canada, but under the terms of the Act of Union, no new seats in parliament could be established in one province unless the same number were created in the other. It was some years before an additional seat could be created in Lower Canada and Lambton, consequently, had to wait for its county status.

"Lambton county," reads the pamphlet, "is situated along the extreme southwestern shoreline of Lake Huron, this lake in fact forms its entire northern and northwesterly boundary; on the east lies the county of Middlesex,

(Continued on page 12)

RAILWAY PAYROLL IS LARGE FACTOR IN SARNIA TRADE

City is Main Line Division Point on Canadian National Railways

TUNNEL UNDER RIVER

Construction Follows Few Lines After Grand Trunk Acquires Control of Great Western

Sarnia is an important point on the Canadian National Railways lines. It was the vital objective of the Great Western Railway, which was incorporated by special act of the parliament of Canada in 1845. And when the line was completed to the St. Clair River in 1858 it was inevitable that the company should make a connection with lines in the State of Michigan. Financial difficulties of the Detroit & Milwaukee Railway led, in the course of a few years, to virtual absorption of that line by the Great Western.

The Grand Trunk reached Point Edward from St. Mary's in 1859. When the Grand Trunk absorbed the Great Western, in 1882, the line to Point Edward became the main line. Since 1891, with the completion of the St. Clair tunnel, Point Edward has been the point of transshipment for passengers and freight carried by steamer up the lakes. The Canadian National and the Canada Steamship Lines have an agreement for the interchange of traffic.

Yards are Important

One of the largest railway yards in Canada is that of the Canadian National at Sarnia. In normal times a great volume of freight passes through the tunnel eastward to Canadian points or to Portland, New York and other United States ports. Sarnia also is the Canadian terminus for the Toronto-Montreal-Chicago passenger traffic of the Canadian National.

As Sarnia is a transfer point and divisional terminus on the main line, the railway population of Sarnia always has formed a large proportion of the total. In this present period of railway inactivity, there are many railway men who are employed only part time, but the total of the railway payroll in the city and community still is substantial.

The original incorporation of the Great Western Railway was in 1833. Two of its sponsors were Sir Allan McNab and E. A. Talbot. The object was to build an "iron or wooden" railway from London to Burlington Bay. There were successive renewals of the charter, which had placed time limits on construction, but Sarnia became interested in 1845 when the project was incorporated under the name of the Great Western. The western objective was a suitable point on Lake Huron. The growth of railways in the State of Michigan caused the company to select Sarnia as its western terminus and it is interesting to note that the Grand Trunk, then a rival railway, reached Sarnia a year later than its rival by a more northerly route.

Tunnel Planned in 1886

Construction of the Sarnia tunnel had been mooted from the very earliest days of the railways at the St. Clair River. In 1886 plans had progressed so far that test shafts were sunk 92 feet on the United States and 98 feet on the Canadian side.

Actual construction was started in 1888 by the sinking of shafts 23 feet in diameter on each side of the river. The shafts were built with brick walls two feet six inches thick resting on a circular iron shoe, the lower edge of which was knife-shaped. The theory was that the shafts would sink of their own weight as the brick walls were gradually built. There were several demonstrations that the theory would not work in practice, so the plan of building the tunnel from the bottom of the shafts was abandoned.

In January, 1889, excavation was begun on both sides of the river and after a depth of about 50 feet had been reached, boring commenced from both sides of the river. The tunnel was completed in 1890 and was opened to traffic in 1891. Its operation accelerated greatly the growth of the town. It is 6,026 feet long, of which 2,290 feet are under water.

CITY FINANCES IN GOOD POSITION REPORT REVEALS

Tax Rate in Present Year Slightly Under That of 1930

AUDITOR EMPLOYED

Full-Time Accountant Prepares Balance Sheet Showing Big Balance of Assets Over Liabilities

Sarnia property is assessed at approximately three-fifths of the saleable value. The total assessment in 1930 was $18,858,822, aside from $2,012,697 of church and other property which is exempt from taxation. The 1930 tax rate was 37 mills and the 1929 rate was 36.85 mills on the dollar. The total tax levied last year was $719,774, which included business and income taxes.

The tax rate compares favorably with the rates prevailing in other cities of similar size, especially when it is considered that the scale of assessment is probably lower than the average.

City streets are almost entirely paved and all other conveniences of modern life are provided. The total assets of civic property, including the waterworks and hydro-electric system, were $4,893,261, against which there is a gross debenture debt of $2,477,645.

Population is 17,540

The assessed population is 17,540, an increase from 16,059 in the last five years. The Dominion census figures show that Sarnia has grown 20 per cent in the decade, corroborating the civic figures, which show that Sarnia for many years has enjoyed a steady as well as substantial growth.

Sarnia employs an auditor on full time and the reports which are issued give a clear picture of the city's financial position. There is included, also, a balance sheet.

Has $1,458,000 in Utilities

As at December 31, 1930, current assets were shown at $522,437, of which $364,682 was in accounts receivable. Local improvement assessments totalled $191,607, of which $122,792 was property-owners' share. The net civic equity in the Sarnia Elevator Co. was $761,864, of which $400,000 represented debentures issued on the second unit of 2,000,000 bushels. Housing loans repayable in 20 years amount to $150,815.

Investment in public utilities totals $1,458,201, of which $821,675 is in waterworks and $636,526 in the Hydro.

Other city property is shown at $1,779,206. Of this amount, $1,059,072 is in schools and $243,000 in hospital.

Surplus is Substantial

Current liabilities amounted to $522,437. Included in this total was $345,459 in bank loans and $119,952 in unpaid taxes at the close of the year. The city reserve against doubtful debts is $15,659 and there is a contingent reserve of $10,000.

With funded debt of $2,477,646, housing loans from the province, sinking fund liability of $2,968 and depreciation reserve of $268,983, there remained a net surplus of $1,574,947.

Report 41 Factories Operating in Sarnia

The latest available government statistics (1928) give the following facts as to Sarnia manufactures:

There were 41 manufacturing establishments in the city, with an invested capital of $21,274,999. The employees numbered 2,507. Salaries and wages totalled $3,788,580. The materials used in these establishments cost $17,917,152 and the gross value of the products produced was $27,123,165.

VEHICLE BRIDGE OVER ST. CLAIR IS POSSIBILITY

Tunnel Project Also Discussed—Ferries Give Good Service

A vehicle bridge across the St. Clair River between Sarnia and Port Huron is a possibility of the future. There is a charter in existence and plans were fairly well along in 1928, but, in view of conditions at present, the backers of the project now are satisfied that its construction would have been premature at that time.

There is also talk of a tunnel and it is possible that, if the bridge charter is allowed to lapse next year, the tunnel project again will be brought to the fore. A tunnel would run from the centre of the business districts of the two cities, whereas a bridge would necessarily be 2½ miles farther up the river toward Point Edward as at that place the span would be shortest. The United States War Department, supervising navigable waters, insists on a clearance of 90 feet.

It is understood that preliminary estimates place the cost of a bridge around $3,500,000, whereas a tunnel would cost considerably more.

Meanwhile the ferry service is considered by most of its users to be excellent.

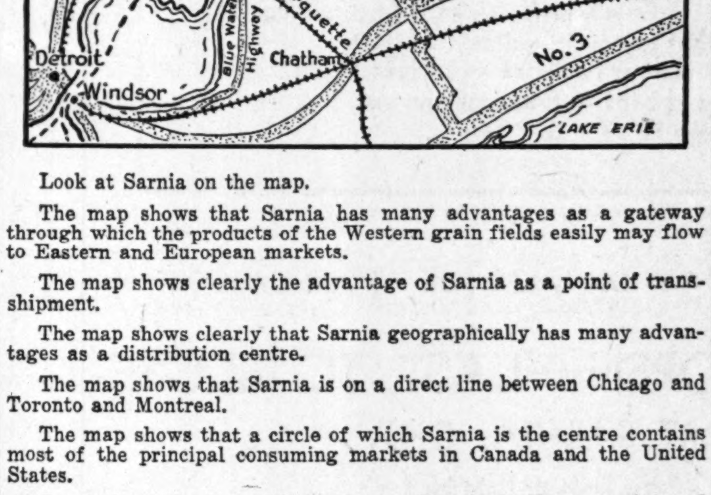
Sarnia Paper Is Only Daily In Lambton

Sarnia's daily newspaper, the Canadian Observer, compares favorably with newspapers in most cities as large or larger than Sarnia. It is produced from a modern plant in Sarnia and circulates throughout Lambton county as well as in the city. A. D. Mackenzie is managing director of the company.

Hon. Alexander Mackenzie, a Sarnia resident and one-time premier of Canada, was the owner and editor of Sarnia's first newspaper, which made its debut in 1852 and lasted for two years. The name "Observer" has been in existence since 1853. J. R. Gemmill was the first owner. Henry Gorman became the owner of this paper in 1879.

The Sarnia Canadian was established in 1860 and the two papers merged as the Sarnia Canadian Observer in 1917. It is the only daily paper in Lambton county.

Sarnia is Gateway Between East and West



Look at Sarnia on the map.

The map shows that Sarnia has many advantages as a gateway through which the products of the Western grain fields easily may flow to Eastern and European markets.

The map shows clearly the advantage of Sarnia as a point of transshipment.

The map shows clearly that Sarnia geographically has many advantages as a distribution centre.

The map shows that Sarnia is on a direct line between Chicago and Toronto and Montreal.

The map shows that a circle of which Sarnia is the centre contains most of the principal consuming markets in Canada and the United States.

Sarnia is at the foot of Lake Huron. The gradually narrowing end of the lake makes the St. Clair River and the Sarnia harbor as safe a harbor approach as exists on the Great Lakes.

It is not only a safe harbor approach, but, because of rail connections, because of elevator and warehouse facilities and because it is on first-class highways, Sarnia also is a convenient harbor—a harbor with an economic justification.

By rail, Sarnia is 170 miles from Toronto, 217 miles from Buffalo, 395 miles from Pittsburgh (the centre of the steel industry), 160 miles from Cleveland, 60 miles from Detroit, 251 miles from Minneapolis, 250 miles from Chicago and 275 miles from Milwaukee.

POWER, FUEL ARE AVAILABLE AT LOW COST

Water Transportation Brings Coal Cheaply from Ohio Ports

HAS NATURAL GAS

Oil Also Right at Hand—City Sells Water to Industries at Reasonable Rates

Industries in Sarnia have great advantages in securing power and fuel.

Coal can be brought by steamer from Ohio ports on Lake Erie; the distance by water from Cleveland is only 160 miles.

The great refineries of Imperial Oil are at Sarnia so that there is a constant and limitless supply of fuel oil right at hand.

Gas has been called the perfect fuel. Sarnia is served with natural gas (which has approximately twice the heating units of manufactured gas) from the Tilbury field and the big reserves being built up in the Dawn field, in Lambton county, also are available. A certain amount of natural gas is available for industrial purposes.

Costs are Reasonable

Sarnia gets its hydro-electric power from the Niagara system of the Hydro-Electric Power Commission of Ontario. Two separate lines insure a constant supply. One line, via St. Thomas, delivers current to transformer stations at 110,000 volts and the other line, via Chatham, makes deliveries at 26,400 volts.

Coal can be delivered at the low cost incident to carriage by water. Fuel oil prices are at the lowest market level. Gas in quantity is available at 70 cents per 1,000 cubic feet. Electricity for power costs $1 per horsepower per month of installed capacity; plus 2 cents per kilowatt hour for first 50 hours, 1.3 cents for second 50 hours and .33 cents for all additional consumption.

Gas is supplied to Sarnia by the Union Gas Co. of Canada, one of the largest companies in the gas-utility field in the Dominion. This company has been building up reserves for a number of years. There is a large potential producing acreage controlled by the company and reserves actually available are estimated to be sufficient to serve the district for at least 25 years.

Hydro Reports Surpluses

Electric power is served to consumers through the Sarnia and Point Edward hydro-electric commissions and the Sarnia rural power district. The urban municipal systems are financed by the municipalities which buy power from, and are supervised by, the provincial system. The rural power district is similarly adminstered, but there is also a provincial grant for the extension of rural lines for the benefit of the agricultural community. The municipal and the rural power systems all are reported as having surpluses over operating cost, depreciation and interest.

The Sarnia water system also is owned and administered by the municipality. The source of supply is Lake Huron. The pumping capacity is 13,640,000 imperial gallons per day. The domestic rate is $12 per year and the industrial rate ranges from 8 to 16 cents per 1,000 gallons.

Mueller Ltd. Chose Sarnia Out of Many

One of the Sarnia plants which is a thriving branch of a United States manufacturer is Muellers Ltd., makers of brass forgings, brass castings, plumbing supplies, fittings, copper service pipe, brass valves, cocks and many other similar appliances.

This company came to Sarnia in 1912 after investigating the claims of many other Canadian cities. Sarnia was chosen because of its excellent location as a distributing centre, its good labor market and the comparative proximity to the parent plant at Decatur, Ill. As the years have passed, the Canadian plant has become more and more self-contained until at the present time the variety of goods manufactured complete is probably as broad as it would have been if the plant had no United States affiliations.

It is expected that the process of broadening the range of manufacture will continue.

Executives of the company expect that the regular employees will be able to work full time throughout the winter. Inventories at the moment are said to be low and it is expected that manufacture will be continuous in anticipation of the spring demand for the company's products.

L. H. Burleigh, the Canadian manager of Muellers Ltd., long has been a citizen of Sarnia. He is enthusiastic as to the future of the city. Among his other civic activities, he is a director of the Chamber of Commerce.

SARNIA ELEVATOR FILLED TO BRIM WITH U. S. GRAIN

Modern Storage and Transfer Plant Does Excellent Business

CITY IS INTERESTED

Issues Debentures to Aid Construction—Loan Being Rapidly Paid Out of Earnings

The most conspicuous object on the skyline of the St. Clair River is the elevator at Sarnia, which towers 150 feet above the water level and from its penthouse affords a marvellous view of the broadening arm of Lake Huron, and the winding course of the river with its immense traffic. On clear days a great deal of Lambton county can be seen.

Here can be envisioned the merits, as well as the beauties, of Sarnia's harbor. The wharfage is being steadily increased and there is plenty of space, secure from the drives of ice from the lake, for the laying up of vessels in the winter season. Elsewhere in this issue is shown a photograph of the elevator with a number of the largest lake freighters tied up.

City Issues Debentures

Sarnia Elevator Co., Ltd., is controlled through ownership of all its capital stock by Toronto Elevators, Ltd., which owns an elevator and feed business at Toronto.

The Sarnia elevator was built five years ago with the assistance of the municipal treasury. The original unit was of 1,000,000 bushels and was designed primarily as a transfer house from lake steamers to rail for shipment to seaports. Subsequently the Playfair interests acquired control of the enterprise. It was enlarged to 3,000,000 bushels capacity in time to handle a share of the 1929 crop. The issue of bonds, totalling $800,000, is a direct obligation of the City of Sarnia. The company has assumed the charge and pays approximately $65,000 annually principal and interest. As at September 30, 1930, the outstanding bonds amounted to $749,767. The equity of the company in the property is substantial. With the 2,000,000-bushel elevator at Toronto and the 3,0000,000 at Sarnia, Toronto Elevators, Ltd., has storage capacity of 5,000,000 bushels.

Is Efficient Plant

The Sarnia elevator, while not the largest in the industry, is as efficient and modern as any. It is of reinforced concrete construction throughout. The unloading machinery, the machinery for transferring grains from one part of the house to another, or for loading to freight cars or vessels, is as efficient as exists.

The elevator is equipped with two unloading legs. One of these is an integral part of the building, and from it grain can be placed in any bin desired. The other leg is moveable along the wharf and by means of it it is possible to unload a vessel from two different hatches, or to serve two small vessels at the same time.

So far as is practicable, the equipment has been installed with a view to saving labor and to reduce the unloading time required. The practicable operating speed for unloading is about 30,000 bushels per hour.

Is Profitable Company

Toronto Elevators, Ltd., the parent company, was incorporated in 1928. The securities outstanding, other than the City of Sarnia bonds issued against the original unit at Sarnia, are 7 per cent preferred shares to the amount of $1,500,000 and 25,000 shares of common stock. The company showed an improvement in working capital at the end of its 1930 fiscal year, compared with the year before, after reporting $1.94 per share earned on the common stock. It is understood that the report for the year ended September 30, 1931, will show a satisfactory position, with the probability that, after write-offs, the earnings available for common dividends will be greater than for the previous year.

Sarnia elevator at the present time is filled to capacity. In fact, two weeks ago it had in storage almost 3,200,000 bushels. This was mostly wheat and other high grade grains which, by weight, do not bulk as large as course grains.

Stores U. S. Wheat

The fact that the bulk of the grain in storage was wheat grown and owned in the United States, awaiting shipment to seaboard, is strong evidence that the location of a grain elevator at Sarnia was strategically advisable. Sarnia is a port equally available to Chicago and Duluth as well as to the Canadian ports of Fort William and Port Arthur. The fact that it is on a direct rail line to Montreal, Saint John, Portland and New York, makes it a useful house to grain shippers in both countries.

There has been a steady stream of shipments from the elevator throughout the summer season and new cargoes are received from the Upper Lake ports as rapidly as the elevator management can make room for them.

James Playfair of Midland is president of Toronto Elevators, Ltd. F. K. Morrow is vice-president, G. C. Leitch, managing director and J. A. Walker, secretary and treasurer. Other directors are G. R. Cottrelle, H. N. Bawden, F. Wellington Hay, Listowel, G. R. Martin, Minneapolis, and R. J. Pinchin of Midland.

Where Tourists Enter Canada in Large Numbers

This is a picture of the ferry wharf at Sarnia just after one of the modern steamers has unloaded a full cargo of automobiles. The ferry service will celebrate its centenary in 1936. There is a fair amount of regular traffic between Sarnia and Port Huron besides the tourist traffic which reaches its peak in August.
Photo by Bury, Sarnia.

LAMBTON FARMS ARE AMONG BEST IN ALL CANADA

(Continued from page 11)

on the south Kent; with the exception of the southwesterly portion which is bounded by the Snycarte river, its entire Western boundary is the St. Clair river.

Huron Was "Mer Douce"

"Champlain saw Lake Huron for the first time in 1617 and he called the lake 'Mer Douce' or sweet sea, referring to the waters not being salt. The old Indian name was 'Karegnondi.' This was the name the Hurons gave it, but the Iroquois name was 'Canatara.' Later some of the French maps called it Lake Orleans and later still the French maps called it Lake Michigan or Huron. Afterwards, the maps differentiate between lakes Michigan and Huron.

"Syncarte is a corruption of Chenal-e-Carte, or lost channel. This name appears in very early maps. The Syncarte separates Lambton county and Walpole island, and as it nears Wallaceburg, joins the Sydenham river, eventually flowing into Lake St. Clair.

"River St. Clair, the western boundary, together with Lake St. Clair, were so named by LaSalle and Hennapin in 1679 when they sailed northward over these waters. They crossed Lake St. Clair on St. Clare's day, and for that reason named the lake and river. The Indian name of Lake St. Clair was 'Oti Kita' and the Indian name of St. Clair river was 'Otississippi'."

SARNIA GROWTH IS RESULT OF NATURAL ADVANTAGES

(Continued from page 11)

in the country. Lambton apples are famous. Other farm products are first grade and abundant. The proximity of this excellent source of supply of farm products has an effect on the cost of living in Sarnia.

Is Fine Place of Residence

Living conditions in Sarnia are highly favorable. This is the reason that the labor market is advantageous to manufacturers. There is no housing problem. Rents are reasonable. Public health is excellent. Recreational facilities are broad. The availability of natural gas as a household fuel adds to convenience. The social life of the community is pleasant. The city is abreast of the times in educational facilities.

Sarnia does not expect to grow spectacularly. It has never been a boom town, although its growth received an impetus from time to time as a new and substantial industry was created and when, for instance, the railway tunnel was opened in the early nineties. But Sarnia has grown steadily from year to year and decade to decade and the sound reasons for this growth will cause it to grow in the future. It will grow with, and somewhat in advance of, the country as a whole.

Customs, Postal Figures Are Higher for Last Year

Customs receipts for the port of Sarnia in 1930 were in advance of those for 1929. The comparative figures are as follows:

	1930	1932
Duty col'ted	$ 995,832	$ 972,704
Imports	21,338,741	17,750,663
Exports	41,156,704	41,634,896

Postal revenues in the fiscal year ended March 31, 1930, were $65,525, compared with $64,453 for the previous year.

Transportation Facilities Are Real Sarnia Assets

By Water, Rail or Highway, Connections With Outside World Among Best Afforded by Any Community

Sarnia is favored with the best of transportation facilities.

Sarnia is an important point on the main line of the Canadian National Railways between Chicago and Montreal, through Toronto, Hamilton and London. The connection with Michigan is through the famous St. Clair tunnel, which was built 40 years ago and electrified 25 years ago.

Sarnia's second railway is the Pere Marquette, which runs from Ludington, Mich., to Port Huron, Mich., and thence by car ferry to Sarnia and along the Lake St. Clair towns to Chatham and Erieau. The Pere Marquette has running rights over the Michigan Central Railway east to Buffalo.

Best of Steam Services

Thrice weekly, there is a package freight and passenger steamer service between Sarnia and Sault Ste. Marie, Port Arthur, Fort William and Duluth. This is the service maintained by the Northern Navigation Co., division of the Canada Steamship Lines. The wharfage is at Point Edward, an incorporated village which is a suburb of the city of Sarnia.

Package freight service to Detroit and way ports is maintained daily by the White Star Navigation Co. This company at Detroit connects with package freighters running to Buffalo and other Lake Erie ports.

Other package freight steamers connect with almost any point on the Great Lakes. The companies providing this service are the Canada Steamship Lines and the Tree Line Navigation Co.

The navigation season is eight months or thereabouts.

Ferry Service Is Good

An excellent ferry service between Sarnia and Port Huron is maintained all the year. Rates are reasonable for both pedestrians and motor vehicles. Modern steamers and adequate facilities for inspection by customs and immigration officials on both sides of the river assure a quick passage from one country to the other.

Sarnia is the eastern terminal of Ontario provincial highway No. 7. This is a first-class road and, by way of the ferry, connects with two principal highways maintained by the state of Michigan from Port Huron. One of these runs to Flint and Grand Rapids and the other to Detroit, crossing or connecting with nearly all other Michigan state highways.

The Ontario highway No. 7 is a direct road east from Sarnia to Stratford, Kitchener, Guelph and Thornhill (North Toronto). Near Wyoming, a few miles east of Sarnia, No. 7 crosses No. 22, which runs southward to Lake Erie, connecting with Highways No. 2, which runs from Windsor to Montreal, and No. 3, which runs from Windsor to the Niagara frontier.

No. 7 highway has a direct connection with No. 2 highway near Watford, giving Sarnia a first-class highway to London and, thus, an alternative road route to Toronto and Hamilton. No. 7 highway passes within seven miles of the Toronto city limits, and there are three or four excellent roads into that city.

Sarnia is also the terminus for the Blue Water Highway, which is a favorite route for tourists. The Blue Water Highway, not yet in the Ontario provincial road system, begins at Sarnia, skirts Lake Huron and Georgian Bay to Penetang and southward to Orillia. It passes through such communities as Forest, Grand Bend, Bayfield, Goderich, Kincardine, Port Elgin and Southampton (all on Lake Huron); Owen Sound, Meaford, Thornbury, Collingwood, Elmvale and Penetang (on Georgian Bay), and good roads also connect this route with Wiarton and Tobermory (at the northerly tip of Bruce peninsula).

Sarnia Forms Gateway To Blue Water Highway

Many Attractions Along Lake Huron and Georgian Bay One Reason for Importance of St. Clair Traffic

Municipalities, boards of trade and private business interests concerned with the development of the tourist traffic on Lake Huron, Georgian Bay and Lake Simcoe a few years ago formed the Blue Water Association. Sarnia, as the gateway to this tourists' paradise, is the headquarters of the association.

The headquarters at Sarnia maintains a tourist information bureau and distributes a great deal of literature by mail and otherwise to travellers and prospective visitors in this country and the United States.

Skirts Georgian Bay

In the current year, an attractive pamphlet has been issued which not only shows a map of the route from Sarnia to Owen Sound, Penetang, Orillia and the connecting roads of Bruce peninsula, but which gives a great deal of information concerning the attractions of the numerous towns and resorts en route.

The road is approximately 300 miles long, stretching close to the Lake Huron shore right up to Tobermory, which is the Land's End of Bruce. Northwest of Southampton, it cuts across country to Owen Sound and thence along the shore of Georgian Bay to Meaford, Clarksburg, Collingwood, Elmvale, Midland and Penetang. Southward from Midland the road passes through Coldwater and thence to Orillia, on the shore of Lake Simcoe.

Designed for the tourist from the United States, this pamphlet includes a paragraph on the Ontario climate, pointing out that everything is grown in Ontario that is grown in the northerly states, including tobacco.

W. C. Cain, deputy minister of lands and forests, has written a page telling about the recreational facilities of the province and takes advantage of the opportunity to point out that Ontario has 5,000,000 of available hydro-electric horsepower, of which 1,700,000 horsepower is installed.

Hon. William Finlayson, minister of game and fisheries, points out that along the Blue Water Highway is found some of the finest fishing and hunting and there are appropriate illustrations of excellent catches of fish and bags of game. The open seasons and bag limits are given in detail.

Tourists from the United States also are advised as to routes through Michigan to Port Huron and Sarnia. A facing page shows the Ontario road signs and summarizes traffic laws and regulations.

Sarnia Has Tourist Park

The pamphlet tells of the advantages of Sarnia as a centre for recreation. Within ten minutes of the ferry is a tourist camp at Lake Huron Park, where the view and the bathing are excellent and the facilities for campers first class. It is the recreation park nearest to Sarnia.

Sarnia has a good 18-hole golf course with a beautiful clubhouse. Visitors also are invited to use the courts of the Sarnia Tennis Club.

The next place on the Blue Water Highway is Forest, which is the community nearest the famous Kettle Point. There is an Indian Reserve at Kettle Point where guides are available for amateur fishermen.

Kettle Point Geologically Famous

Kettle Point is famed as a beauty spot and derives its name from "kettles" which are found there, the origin of which is a matter of dispute among geologists. One of the finest hard beaches in Canada is within two miles of these geological marvels. This beach settlement is known as Ipperwash and there are many summer homes. The bathing is one of the great attractions. The beach forms an excellent road and the motorist has the alternative of running along the shore, around Stoney Point, to Port Frank, where the Blue Water Highway again is reached on its northward route.

Grand Bend, Bayfield, Goderich, Kincardine, Port Elgin, Southampton, Wiarton, Lion's Head, Tobermory, Owen Sound, Meaford, Clarksburg, Thornbury, Collingwood, Midland, Penetanguishene and Orillia are similarly described and the booklet includes illustrations of such widely divergent attractions as a string of big lake fish and the Orillia monument to Champlain.

New Project Adds Output Of Auto-Lite

Sprague Specialty Co., of North Adams Massachusetts, is to establish its Canadian company in Sarnia. The Canadian company will be incorporated under the name of Sprague Condensers, and Electric Auto-Lite Limited will own a substantial interest in this new Canadian company.

Sprague Condensers Ltd. will contract with Electric Auto-Lite Limited for the manufacture in the Auto-Lite plant of all of its products and this contract will mean a very substantial addition to the volume of business of the Auto-Lite plant. The product of the Sprague Company consists of electrolytic condensers and mixed condensers, which are sold to manufacturers of radio sets. These condensers have a reputation second to none on the continent, and they are used extensively in Canada by Philco, Rogers-Majestic, Victor, De Forest Crosley and many other radio manufacturers.

W. E. Harris, general manager of Electric Auto-Lite, Ltd., says that so far as Sarnia was concerned, this new arrangement was tantamount to the securing of an entirely new industry and it was anticipated that it would give employment to approximately 150 people, particularly during the last six months of the year.

SARNIA ELEVATOR
COMPANY, LIMITED

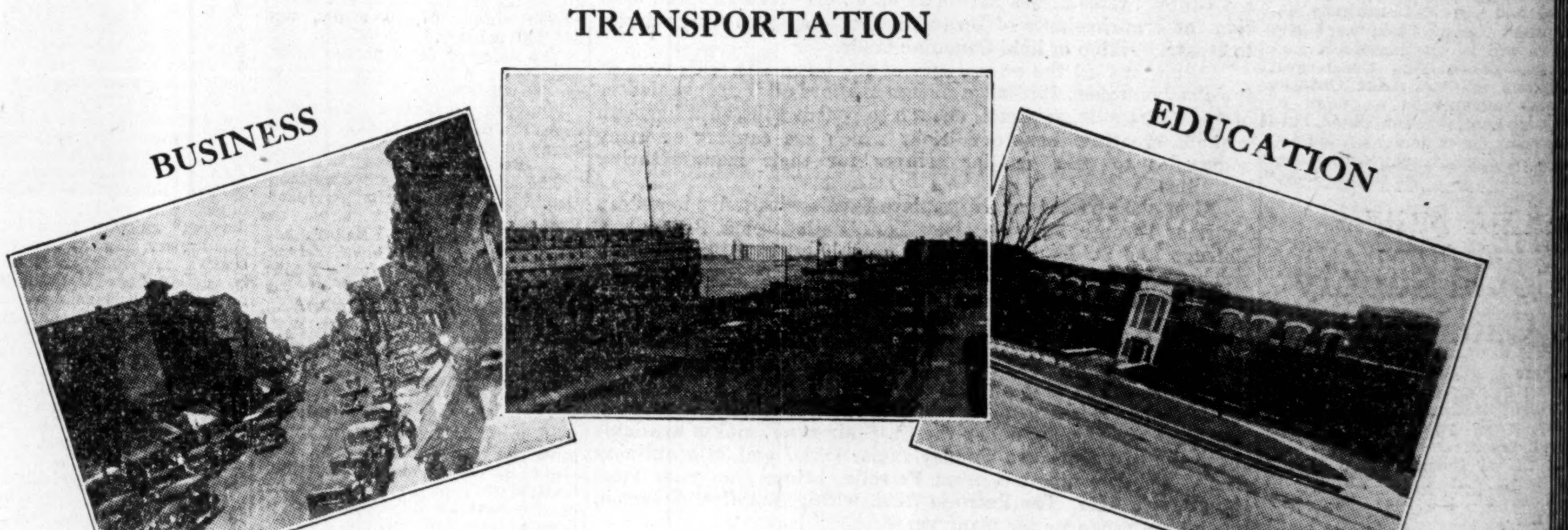
STORAGE CAPACITY 3,000,000 BUSHELS
1st Unit 1,000,000 bushels
2nd Unit 2,000,000 bushels
Concrete throughout—Fireproof
Lowest Insurance Rates, $1.00 per $1,000.00

TWO MARINE LEGS
One Movable—One Stationary
Total Dipping Capacity 60,000 per hr.
Electrically operated throughout.
Shipping Capacity 200 cars daily.
Fast Shipping Facilities for loading all boats.
On Main line Canadian National.
Connects with Pere Marquette and Canadian Pacific.
Lowest freight rates and quickest despatch.
Unequalled Harbor Facilities — 24 foot depth.
Thirty acres of Slips — Practically no ice.
Close to Lake Erie for coal barges.

FINEST LAY-UP PORT ON LAKES FOR WINTER CARGOES
FIRST TO OPEN—LAST TO CLOSE
AT SARNIA, ONT.
"At the Foot of Lake Huron"

Enquiries Solicited
Long Distance Telephone, Sarnia 2640 — Night 2781

THE CITY and PORT
OF
SARNIA
Largest Canadian Grain Storage Port
on Lower Lakes



WHERE LAKE AND RAILS MEET
Public Dock and Warehouse Facilities
Low Rail and Water Freight Rates
Write
CITY OF SARNIA or CHAMBER OF COMMERCE
for Information

NIAGARA FALLS POWER HOUSE IN SARNIA AREA

Two High-Tension Lines Mean Interruptions Few

EARNS SURPLUS

Sarnia, Point Edward, Rural District All Have Credits With Provincial System

Sarnia is in the Niagara division of the Ontario Hydro-Electric System. Power is delivered at 110,000 volts via St. Thomas and 26,400 volts via Chatham. The two lines are distinct and this insures continuance of essential service in the event of breakdowns on one line or the other.

The provincial report for 1930 shows Sarnia to have 5,170 consumers, of which 85 are power consumers, 609 are commercial and 4,476 are domestic consumers. There has been a gradual growth in number of consumers, since the establishment of the system in 1916.

Point Edward Uses Hydro

The village of Point Edward likewise is served by the Hydro, there being, in 1930, 342 consumers in the village, of which 14 were power users, 39 were commercial users and 289 were domestic consumers.

Sarnia's system in 1930 had an operating surplus of $53,234, according to the government report, and the net surplus, after depreciation of $15,700, was $37,534. Point Edward's net surplus after depreciation was $2,067. The following figures are taken from the Hydro report, the population in each municipality being that assessed in 1930:

Population	16,763 Sarnia	1,378 Edward
Earnings:		
Domestic light	$100,946	$5,850
Commercial light	47,278	1,783
Commercial power	163,373	19,891
Street lighting	15,233	924
Merchandise	80	.....
Miscellaneous	3,570	564
	330,480	29,012
Expenses:		
Power purchased	$205,727	$23,723
Substation operation	2,743	......
Substation maintenance	22	......
Distribution maintenance	6,494	244
Transformer maintenance	1,072	54
Meter maintenance	1,645	63
Street lighting	2,996	213
Billing and collecting	4,316	719
Salaries and office	10,211	912
Undistributed	8,469	347
Truck operation	3,718	......
Interest	12,630	728
Sinking fund	17,203	794
	$277,246	$27,792
Gross surplus	52,234	1,220
Depreciation	15,700	895
Net surplus	$37,534	$325
Number of Consumers:		
Domestic	4,476	289
Commercial	609	39
Power	85	14
	5,170	342

The agricultural community in Sarnia, Moore and Plympton townships is served from Sarnia under the rural-power scheme of the Ontario government. There are 1,056 consumers on 84 miles of line. The district earns a moderate surplus above costs, it is shown by these figures taken from the Hydro reports:

Sarnia Rural Power District
(Sarnia, Moore and Plympton Townships)

	1929	1930
Total capital cost	$175,175	$189,083
Gov't grant	85,031	91,955
Commission's investment	90,143	97,128
Cost of power	14,163	16,619
Cost of maintenance	10,596	10,989
Interest	3,764	4,089
Renewal charges	3,240	3,582
Obsolescence	1,620	1,791
Sinking fund	878	970
Total cost	34,262	38,042
Revenue	$37,336	$40,870
Surplus	$3,073	$2,828

Sarnia has an accumulated credit with the Ontario Hydro of $13,793. Point Edward's credit is $2,259 and, it was seen by the foregoing, the rural power district surplus is $2,828. These surpluses tend to assure consumers that there will be no increase in rates.

The peak load horsepower per year per consumer in Sarnia in 1929 was 6,950, an increase of 502 horsepower. Sarnia's share of the capital cost of the system on which interest and fixed charges are payable $1,646,960 for 1930. The total amount paid to the Ontario commission was $220,423.

SARNIA BRIDGE IS BIG COMPANY IN STEEL TRADE

Plant Occupies Five Acres —Business Established in 1907

Sarnia Bridge Co. is an important industry in Sarnia, although, like other companies dependent in large part on the construction issue, at the present time its plant is not working at capacity.

Sarnia Bridge Co. was organized originally in 1907 and became of public investment interest in 1928 with the issue of 12,000 class "A" shares at $32 per share. The class "B" shares are held by the management. There are 15,000 of these outstanding. The company has no other stock and no funded debt.

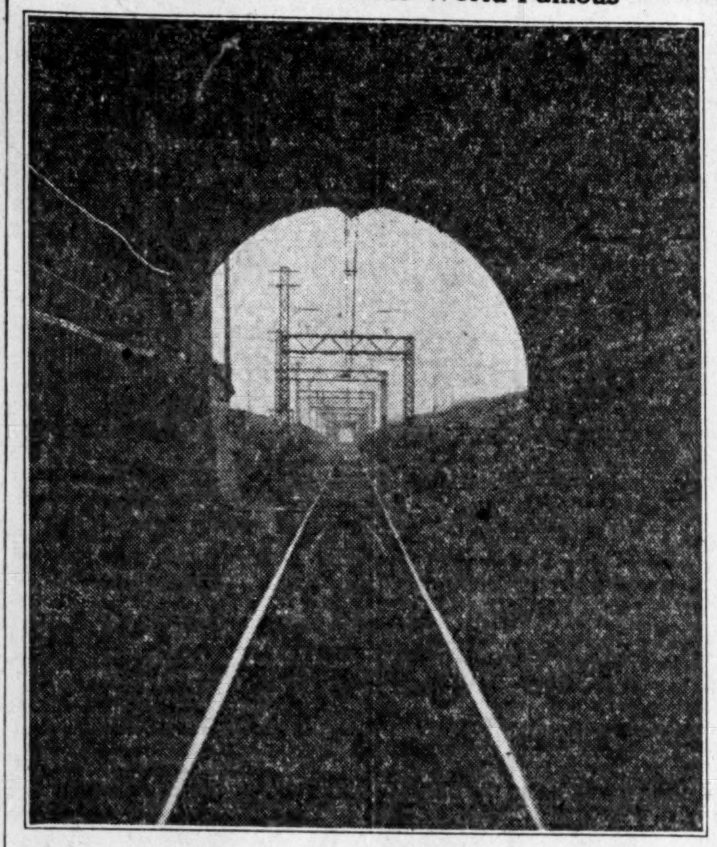
Products include fabricated steel for bridges, buildings, joists, trusses and sashes, as well as tanks, poles, pipes, and towers for water tanks. The plant at Sarnia occupies five acres and the annual capacity is 120,000 tons. The main buildings of the plant are of steel frame, with concrete foundations, while the machinery is of modern type.

R. M. Norton, who is vice-president of the Sarnia Chamber of Commerce, is president of Sarnia Bridge Co. Frank M. Ross, is vice-president, W. Norris secretary-treasurer and F. J. Sculpholm, general manager. Other directors are D. A. Campbell, N. L. LeSueur, W. P. Rapley and E. G. Jackson.

Open New Baking Plant

The Neal-Norris Company has nearly completed a new baking plant in St. Thomas. It will be opened at the end of September and will have a capacity of 15,000 loaves of bread per day.

One Reason Sarnia is World-Famous



This is looking from the mouth of the St. Clair tunnel at the Sarnia end. Preliminary engineering work began in 1886 and the tunnel was opened to traffic in 1891. It did away with the car ferries which formerly had carried freight and passenger trains of the Grand trunk (Canadian National) across the St. Clair river. This was the first international tunnel anywhere in the world and at the time it was built was considered a rare engineering feat. The cost was about $3,000,000. Right overhead are lands of the Imperial Oil refineries. The photo is by Bury, Sarnia.

Industrial Mortgage Earns 11% on Capital

Industrial Mortgage & Trust Co. is a Sarnia institution which has been an important factor in the development of the city and county of Lambton.

It is a strong company, with a capital of $635,000 and reserves of $580,000. In 1930 it earned 11 per cent on its capital and continued the regular dividend of 9 per cent and bonus of 1 per cent.

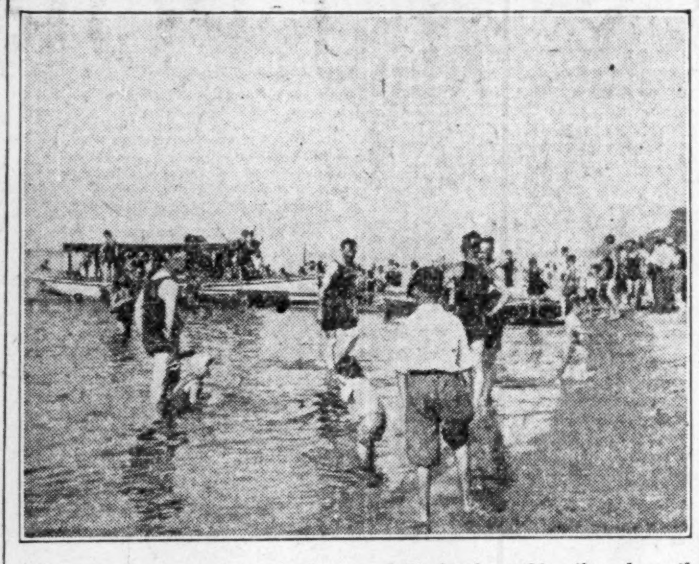
The company was incorporated in 1889 as a loan company. At the end of the first year, assets were $66,000 and savings deposits $12,000. At the end of 1929, gross assets were $4,260,000 and savings deposits and investment receipts totalled $2,718,000. The company obtained a trust company charter in 1928. The company's loans are principally in Sarnia, Lambton and adjacent territory.

Officers and directors are: J. Cowan, president; M. McGugan, first vice-president; J. McFarlane, second vice-president; W. R. Paul, managing director; B. Charlton, assistant manager; J. H. Anderson, B. Stephens, W. J. Skinner, J. P. MacVicar and A. R. McKay.

Is Mayor of Sarnia

ARTHUR KIRBY, who is mayor of Sarnia for 1931. The aldermen are Gordon Hodgins, Homer Lockhart, E. L. Bedard, H. Steel, Dr. T. P. Bradley, E. J. Blake, J. Newton and J. C. Barr.

Bathing Beaches Are Near Sarnia



Here is a scene at Bright's Grove, which is about 30 miles along the Blue Water highway northwest of Sarnia. Photo by Bury, Sarnia.

LAMBTON LOAN OLDEST COMPANY IN WHOLE GROUP

Outgrowth of Need for Pooling Cash in Early Days of Trade

Sarnia has the distinction of having the oldest of Canadian mortgage companies. This is the Lambton Loan & Investment Co., which was founded by Robert Skilbeck, a native of England, who came to Canada and settled in the village of Port Sarnia in the late thirties of the last century.

Mr. Skilbeck had been an officer in one of the terminable building societies then operating extensively in England. On his arrival in Sarnia he was employed by the Hon. Malcolm Cameron, who carried on business as a general storekeeper in a two-story log building on the site now occupied by the Bank of Montreal.

One Way of Raising Cash

There were no banks in Sarnia at the time, money was scarce and trade was carried on by barter and exchange. The merchants from time to time had to make payments in cash to the wholesale houses. If a harnessmaker had a payment to make he borrowed from other merchants sufficient cash to make up with what he had on hand the amount required to be remitted. The accommodation was, of course, reciprocal, and the butcher, the baker and candlestick maker when their turn came went the rounds borrowing money to meet their obligations.

Skilbeck suggested that a syndicate should be formed and that members should deposit with him any surplus moneys which they had, and that loans should be made out of these funds to the highest bidder, and the profits distributed from time to time amongst the depositors.

Business Started in 1844

This syndicate began business in 1844 and rapidly enlarged the scope of its operations by accepting deposits from the public generally, and loaning its funds to whoever offered the highest rate of interest.

In 1846 the first Building Society Act was passed (9 Vic., cap. 90) by the Parliament of the United Provinces of Upper and Lower Canada.

On February 9, 1847, a public meeting was held in the school house, Port Sarnia, on the call of Robert Skilbeck. It was resolved that a Building Society be formed under the provisions of 9 Victoria Cap 90 to be known as "Port Sarnia Building Society" the shares of the Society to be of a par value of £50 each and to be payable in monthly installments of 5s. per share with an entrance fee of 2s. 6d. per share. At the maturity of the shares, that is to say when the monthly payments with the profits added thereto equalled the face value of the shares, each member became entitled to payment of the par value of his share or shares. Pursuant to the Statute a Declaration of Association was executed by twenty-six persons, and fyled with Charles Baby, Clerk of the Peace, Western District at Sandwich, who granted the following certificate of incorporation:

"Clerk of the Peace Offices,
Sandwich, 27th March, 1847.

"I certify that I have received and fyled in my office Declaration from twenty-six persons constituting themselves a Building Society under the name of 'Port Sarnia Building Society' under the provisions of Statute 9 Victoria Chapter 90.

"Charles Baby,
"Clerk Peace Western District."

By this simple process the Society became incorporated.

At a general meeting of the subscribers directors were elected as follows: Commodore Vidal, R.N., A. Young, F. Fisher, Senator Vidal, Hon. Malcolm Cameron, M. Cross, R. Skilbeck, F. Talfourd and Capt. Wright, R.N.

Vidal, First President

At a subsequent meeting of the directors, Commodore Vidal, R.N., was elected president and R. Skilbeck, secretary-treasurer. The society from time to time held meetings in the schoolhouse for the purpose of offering by public auction available funds of the company, the highest bidder being granted a loan subject to inspection by the society's inspectors. The first loan meeting was held in the schoolhouse on April 6, 1847, when a Mr. Hill was the successful bidder, he having agreed to pay a bonus of 36 per cent on the loan. The highest bonus recorded in the books of the society is 51 per cent. The average over the years up to 1855 would be about 40 per cent bonus.

The first annual report of the company in 1847 showed that installments received amounted to £321 13s. 9d. Fees, fines, etc., £17 10s. 3d.; bonus and interest £273 10s. Balance on hand £9 14s. 8½d. with salaries and expenses for the year £19 19s. 3½d.

The president assured the shareholders that "Should the succeeding years be as lucrative as the past the Society may expect to wind up its affairs in about nine years."

The first office of the company was in Robert Skilbeck's residence, the red brick cottage now 112 Maria St., Sarnia. Let into the wall in one of the rooms is a rough iron box, probably made by the village blacksmith, which was used as a deposit box for the securities of the society.

"Port Sarnia Building Society" was re-organized in 1855 as "The Lambton Permanent Building & Investment Society" by a Declaration filed June 19, 1855, with P. T. Poussett, clerk of the peace for the County of Lambton.

By order-in-council in 1881 the name of the company was changed to "The Lambton Loan & Investment Company" under which name the company has operated ever since.

In 1909 The Lambton Loan and Investment Company purchased the assets of The Huron and Lambton Loan and Savings Company of Sarnia.

Distinguished men have sat on the board of the company during the long years of its history. It may be interesting to mention a few names: Hon. Alexander MacKenzie, Premier of Canada, Hon. Malcolm Cameron, postmaster general Upper and Lower Canada, Admiral Vidal, Hope MacKenzie, M.P. for Oxford, and Froome Talfourd, brother of Sir Thomas Noon Talfourd, author of "Ion" to whom Charles Dickens dedicated "David Copperfield."

The last annual statement of The Lambton Loan and Investment Company shows:

Authorized capital	$1,000,000.00
Capital paid-up	789,750.00
Rest	985,374.18
Assets	4,923,324.52

The officers of the company for 1931 are Norman Gurd, president, Colonel R. MacKenzie, vice-president, J. M. Hunt, manager and secretary-treasurer. Other directors are John D. Livingston, Forest; A. G. Minielly, Watford; T. D. McGuire, Wallaceburg; Chester H. Belton, Sarnia; and Albert J. Johnston, Sarnia.

One of Sarnia's Main Thoroughfares

Looking south on Front Street, Sarnia. The building with the clock tower is the customs and postoffice, which is opposite the ferry wharf.

Council and C. of C. Have Strong Committee

Inquiries as to the industrial possibilities of Sarnia are dealt with by the joint industrial committee of the City Council and the Chamber of Commerce.

The aldermanic members of the committee are: Homer Lockhart, chairman, James C. Barr and James F. Newton.

The Chamber of Commerce members are: R. M. Norton, chairman, W. H. Kenny, H. F. Holland, W. E. Germain, John Cowan, Homer Lockhart, James Brydon, A. D. Mackenzie and Eric Harris.

Sarnia Gets Its Name From Isle of Guernsey

Sir John Colborne was responsible for the name "Sarnia." Originally, the townsite was known as "The Rapids." Few of the townspeople liked the name but there was a lack of agreement as to a new one. There were factions, one favoring "Buenos Aires" and another "New Glasgow."

Sir John Colborne had served under Sir John Moore in the Spanish Peninsula and following the Napoleonic wars, was governor of the Isle of Guernsey, the Roman name for which was Sarnia. When Sir John came to Canada, many new communities were being named and it is to his influence, in all probability, that a number of the events in Spain and Portugal are perpetuated in this country.

Lambton county was especially favored. He visited "The Rapids" in 1835, heard of the dissatisfaction with the name, and suggested "Port Sarnia" as a compromise. His suggestion was adopted at a meeting by a vote of 26 to 16. "Corunna," commemorating the place where Sir John Moore was mortally wounded, and "Moore" township are two other Lambton county names which can be traced to Sir John Colborne's visit to that remote part of the country.

A year previous to the adoption of the name "Port Sarnia" there were 44 taxpayers in the village. There were nine frame houses, four log houses, two brick dwellings, two taverns and four stores.

Fruit Growers Operate Plant To Pack Apples

Arrangements are being completed for the operation of a central apple-packing plant at Forest, in the forthcoming season, according to an announcement made recently by W. P. Macdonald, of Petrolia, Lambton county representative of the Ontario Department of Agriculture. The plant will be operated by the Lambton Fruit Growers' Association.

An automatic polisher and sizer has been installed and it will require ten expert men and six women to operate it. The plant will have a capacity of 300 barrels of apples each day and already between 15,000 and 20,000 barrels have been contracted for.

The details of the proposal are being worked out by a marketing committee composed of Victor Fuller, Alfred Mahler, Frank Gustin, Elrey Rawlings and Willard Govenlock, all of Forest. The fruit will be marketed under the supervision of the Ontario fruit branch and will be sold under the Ontario government's brand "O."

N. S. GURD
President
J. M. HUNT
Manager
The Lambton Loan
& Investment Company
ESTABLISHED 1844
The Lambton Trust Company
SARNIA, CANADA
The
OLDEST MORTGAGE COMPANY
IN CANADA

SILVERWOOD'S
DAIRIES LIMITED
Distributors of
SAFE MILK, JERSEY MILK, TABLE AND WHIPPING CREAM
AND CULTURED BUTTERMILK
Manufacturers of
"SMOOTHER-THAN-VELVET"
ICE CREAM
FINEST CREAMERY BUTTER, CONDENSED WHOLE AND
SKIM MILK, CONDENSED AND POWDERED BUTTERMILK
AND EVAPORATED MILK
All of the same guaranteed high quality
PROVINCE-WIDE DISTRIBUTION
A Canadian Organization owned and operated by over Five Thousand Canadian Shareholders, including Producers, Consumers and Employees

SARNIA
and the CANADIAN NATIONAL RAILWAYS

¶ Canadian National Railways facilities and services make Sarnia the main gateway between Canada and the Middle West of the United States.

¶ By way of the St. Clair Tunnel, Canadian National double track main line extends to Chicago, where passenger and freight connections are made for and from all points in Mid-Western, Southern and Western States, and also via Grand Haven and car ferry service to Milwaukee.

¶ Eastward from Sarnia, Canadian National lines afford through fast passenger and manifest freight services to the industrial centres and seaports of Eastern Canada and United States.

¶ Canadian National services and connecting steamships also give to Sarnia its key position in the lake and rail movement of both passenger and freight traffic between the East and West.

For information as to industrial sites, etc., enquire of your nearest Canadian National representative, or write to Industrial Department, Canadian National Railways, Toronto, Ontario.

CANADIAN NATIONAL
The Largest Railway System in America

SARNIA—THE HOME OF IMPERIAL OIL LIMITED

Nearly 50 years ago Imperial Oil Limited began refinery operations at Sarnia

During the intervening period the Sarnia Refinery has consistently ranked as one of the most complete and modern plants of its kind in the world.

Through its research and technical staffs the Company has made many contributions to the advancement of refining practice. Among the more notable achievements in this respect are the development of the Company's two new products, the new Imperial Marvelube Motor Oil and the new Imperial 3-Star Gasoline. These, by virtue of their superior qualities, have outsold all competitive brands wherever they have been placed upon the market.

IMPERIAL OIL LIMITED

REFINERIES AT:

IOCO, B.C.
CALGARY
REGINA
SARNIA
MONTREAL EAST
DARTMOUTH, N.S.

DIVISIONAL SALES OFFICES AT:

VANCOUVER
CALGARY
EDMONTON
SASKATOON
REGINA
BRANDON
WINNIPEG
HAMILTON
TORONTO
MONTREAL
HALIFAX
ST. JOHN, N.B.
SAINT JOHN'S, NFLD.

FOUNDED
IMPERIAL
1880

SARNIA GROWTH IS LARGELY DUE TO IMPERIAL OIL

Employs About 1,600 Persons in Refineries and Offices in City

GROWTH CONSTANT

Even Present Year Has Seen Substantial Addition to Production and Storage Facilities

Imperial Oil, Ltd., is Canada's largest industrial organization and the principal plants of Imperial Oil are at Sarnia.

A very substantial proportion of Sarnia's population is directly or indirectly dependent on Imperial Oil. That Sarnia in the present year is probably better off, as regards employment, than most other cities in Canada, is due largely to the fact that Imperial Oil has been able to keep employed the great bulk of its workers and because it has continued to expand its manufacturing and storage facilities through the period of depression.

Owns 558 Acres

Imperial Oil has three plants in all at Sarnia, covering no less than 558 acres of land. The main plant, which includes the machine shops, candle works, coking ovens and miscellaneous equipment, covers 91.6 acres, and space is at a premium. No. 2 plant, of 278 acres, is now about one-third occupied. No. 3 plant, of 189 acres, is about half occupied.

The capacity of the refineries at Sarnia is 25,000 barrels of crude oil daily and present production is in excess of 20,000 barrels. In 1925, the Sarnia refineries had a capacity of 12,000 barrels.

Imperial Oil has five other refineries—at Halifax, Montreal, Regina, Calgary and Vancouver. From Sarnia is supplied gasoline to Manitoba, and Ontario markets as far east as Toronto. Some other products are shipped throughout Canada.

Imperial Oil, Ltd., directly employs about 8,000 persons throughout Canada and about 1,600 of these are residents of Sarnia.

Sarnia In Lead

The Sarnia refineries are considered to be among the best on this continent. Each year sees improvements in construction and in refining methods. Each year sees a demand for new products and more of the old products. Sarnia often leads the entire petroleum industry in the development of products. A research laboratory, which this year became housed in its own building, is but a skeleton organization compared with some of the laboratories in the United States, yet it has been the means of developing methods and products which have been adopted throughout the petroleum industry.

Marvelube, the trade name for one of Imperial's motor oils, is a product of the Sarnia laboratory. The new green gasoline recently placed on the market by the company is another product developed exclusively by Imperial Oil chemists and engineers at Sarnia. It is claimed that the manufacturing method devised produces a better gasoline as economically than it can be produced by any other method. The investment this has involved totals something like $850,000.

Products Number 300

A generation ago the average man or woman would have said, if asked, that the product of Imperial Oil was kerosene, or coal oil. Today, if asked, he would probably say "gasoline." That is true. Gasoline in bulk and probably in value is the principal product. But it is only one of about 300 products.

Products range from special naphtha for cleaning purposes, to wax candles; from rubber solvent to kerosene; from refined oil to axle grease; from finest lubricants to fuel for diesel engines; from heating oil to paraffin for sealing a jar of fruit; from asphalt paving to by-product coke.

Many trades are employed. Nearly every profession is represented. Chemists test and experiment. Engineers devise and construct and direct operations. Blacksmiths are constantly repairing. Steel workers make storage tanks. Bricklayers, plumbers, steamfitters, mechanics of all descriptions find employment there. Here is the candlestick maker of the old saying, and the butcher and baker in Sarnia owe their existence indirectly to Imperial Oil.

Proud of Personnel

In the plant of Imperial Oil also one will find the mayor of Sarnia and he will tell you that three of the aldermen also grace the Imperial Oil payroll. The company is strongly represented in all phases of the civic life and its employees and their families are indicative of every walk of life in the community.

Sarnia has reason to be proud of its largest industrial plant. It is a plant which has grown from a small beginning in 40-odd years and it is a plant from which has flowed a stream of petroleum products which have helped greatly in the progress of Canada.

From this plant has been created Imperial Oil, Ltd., which, as has been said previously, is the largest industrial organization in Canada. It is a company whose shares rank high among investments in the great financial centres of the world. It is a company which contributes substantially, even vitally, to the welfare of the Dominion.

Is Mother Plant

This plant has created the capital which has enabled Imperial Oil to be in the van in supplying a modern essential—oil. It is from this plant that an organization has grown which supplies the remotest settlements in the Dominion with the motor fuel and other products which are necessary for the efficient prosecution of exploration and pioneering.

This is the mother plant, Halifax, Montreal, Regina, Calgary and Vancouver refineries of this company exist because success was initially achieved at Sarnia. Without Sarnia there would be no Imperial Oil.

More important than all—from the Sarnia plant has flowed a steady stream of highly competent men. The president of the company is a practical oil man, a Sarnia product. In London, in the offices and plants of the manifold operations of Standard Oil Co. of New Jersey and in the plants of offices of many other important oil companies throughout the world are men who got their start in lowly positions at Sarnia. The development of Peruvian and Colombian oil fields by Imperial's subsidiary, International Petroleum Co., is due in part to men whose earlier experience was gained at Sarnia.

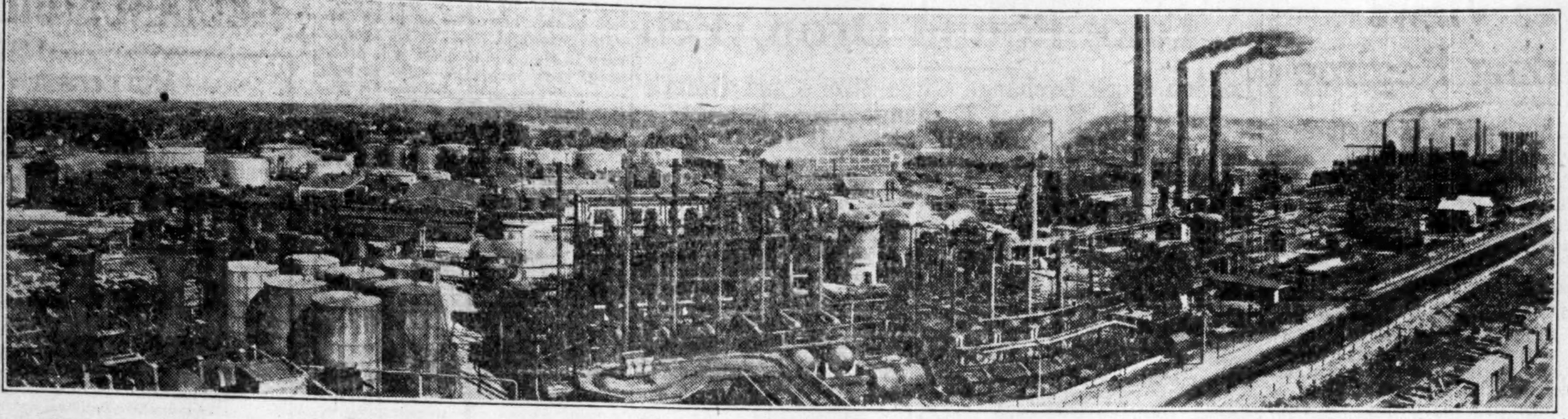
It is a happy community under Imperial Oil employ at Sarnia. There never has been labor trouble and for the last twelve years there have been joint committees of workers and executives which have solved problems, adjusted conditions, and dispelled grievances. These councils are a monument to the late W. J. Hanna, president, who is remembered also for his constructive measures while a member of the Ontario government.

Imperial Oil, Ltd., was incorporated on September 8, 1880, so that it is now entering on its 52nd year of success. The company originally was a merger of six small refinery concerns operating in London, Ont. But it remained in London only a few months, acquiring a small refinery at Petrolia then, as now, the centre of the Ontario oil-producing area. The refinery at Sarnia was acquired from other interests a few years later. It was seen as essential even in those days for an oil-refinery to be located where crude oil could be brought in and the refined product shipped out by water. Besides, an early project was the building of a pipeline from the Ohio field and Sarnia was a logical location for the terminus of such a pipeline, especially as another pipeline could be laid from Petrolia to Sarnia at comparatively small expense.

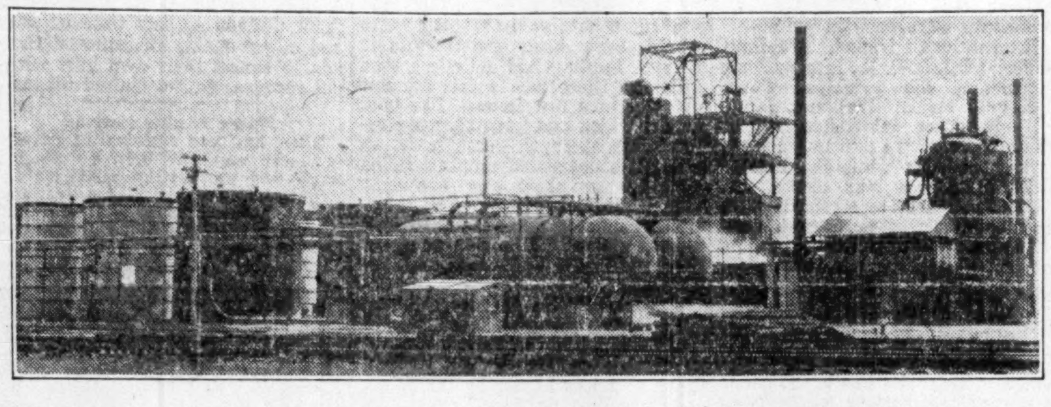
Always a Building Staff

It was a small and none-too-efficient refinery that Imperial Oil acquired at Sarnia. Even up to 1902, the refinery was not particularly impressive in appearance, though it had been extended and improved immensely. Growth from 1910 to 1925 was rapid but, as has already been noted, there was a doubling of capacity—to 25,000 barrels daily—between 1925 and the present year. And the building continues. A building staff at Sarnia may fluctuate in total number employed, but there is always a building staff employed by Imperial Oil.

Sarnia Plants of Imperial Oil Cover Hundreds of Acres



Here is a composite airplane photograph of some of the newest units of the Imperial Oil refineries at Sarnia. The company normally employs from 1,400 to 1,600 persons at Sarnia and the rapid growth of the plant is largely responsible for the importance of Sarnia as an industrial city. Gasoline is shipped from this plant to nearly all Ontario points east of Belleville and by water to the Upper Lake ports. Nearly 300 petroleum products are manufactured at Sarnia.



This is a view of the modern plant erected some years ago at Sarnia for the preparation of asphalt. The comprehensive highway system of the Ontario and other provincial governments has added greatly to the production of asphalt in Canada.

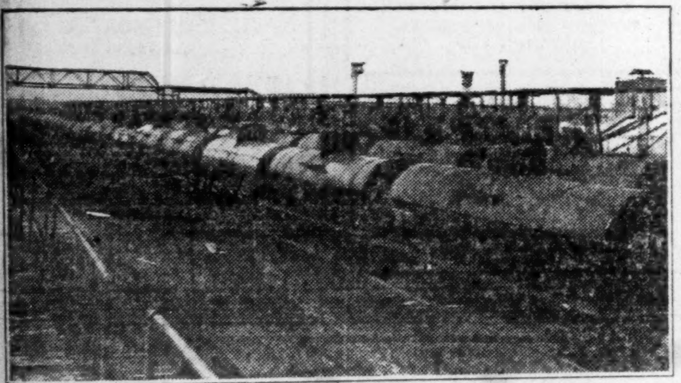
Here is a view of the coking stills. A high-grade domestic fuel is produced as a petroleum by-product which is sold, mostly to employees, at reasonable prices. The coke leaves very little ash.

Contrast is Great Even for 68 Years

In 1862, the first oil refinery in Canada received about 100 barrels of crude oil per week. This was delivered in barrels. From it was distilled 20 to 25 per cent of lamp oil. The balance was waste.

In 1930, Imperial Oil refineries received 75,500 barrels of crude oil each day. This is delivered by pipe lines, by railway tank cars and by tank ships. Ninety-eight per cent of it is refined into gasoline, oils, waxes, greases and more than 250 other products of petroleum.

Oil Refineries Are of Assistance to Railways



Several score of railway tank cars are constantly being filled at the plant of Imperial Oil at Sarnia. The shipments by tank car are mostly to Ontario points, although there are longer shipments of products which are manufactured by Imperial Oil at Sarnia and not at others of the six refineries of the company across the country.

Sarnia Has Sixteen Public and High Schools

Sarnia has twelve public schools, three separate schools, one collegiate institute and technical school and one business college.

The collegiate institute and technical school, opened in 1922, is one of the most modern buildings of its kind in Ontario. The cost of the structure and its equipment was $700,000.

SARNIA SERVED BY MODERN UNIT OF DAIRY CHAIN

Silverwood's Dairies Ltd. is One of Largest in Industry in Canada

Silverwood's Dairies Ltd., one of the largest dairy and ice cream companies in Canada, has a subsidiary company in Sarnia, Silverwood's Sarnia Dairy, Ltd.

This company was incorporated in 1926 to acquire the St. Clair Ice Cream Co., which continues to operate as the ice cream department of Silverwood's Sarnia Dairy. Capitalization of Silverwood's Sarnia Dairy consists of $150,000 of preferred stock and 10,000 shares of common of no par value. Control rests with Silverwood's Dairies Ltd., the holding company, the head office of which is in London.

Plant Is Modern

The Sarnia plant is on Front Street, a location which permits of economical distribution of milk and dairy products in the city and environs.

Silverwood's Dairies Ltd. in the last several years has emerged as one of the largest distributors of dairy products in Canada. Subsidiary companies similar to that in Sarnia operate in London, St. Catharines, Lucknow, Windsor, Kitchener, Elmira, Chatham, Hamilton, Brantford (two plants), Peterborough, Stratford, Woodstock, Guelph, Toronto and Forest. In addition, the company has options on and operates dairies in Cargill, Fergus, Cayuga and North Bay.

Principal executives of this company and of its various subsidiaries are A. E. Silverwood, president and general manager; W. E. Robinson, vice-president; G. H. Belton, second vice-president; J. H. Dulpan, assistant general manager; J. H. Gillies, secretary-treasurer, and G. Blake, assistant secretary-treasurer. Directors are Messrs. Silverwood, Robinson, Belton and R. G. Ivey, London; E. K. Reiner, Wellesley; E. W. Nesbitt, Woodstock, and W. H. Carruthers, Toronto.

SARNIA USERS OF NATURAL GAS WELL SATISFIED

Union Company Improves Service Greatly in Recent Years

Sarnia by the logic of events was one of the first places in Canada where natural gas was used for domestic and industrial purposes. Sarnia previously had become the centre of the oil industry in Canada and it was inevitable that when the drillers for oil realized that they were wasting a valuable asset, a pipeline for gas was built to Sarnia.

William Williams, who for 20 years had been a merchant in the community became head of the Sarnia Gas Co. His son, J. B. Williams, is the local superintendent of Union Natural Gas Co.

Sarnia Gas Co. was the first of the local distributing companies acquired by Union Gas Co. This was in 1924 and since that time great strides have been taken to perfect the service to the city. There are now virtually no complaints as to service.

IMPERIAL'S FLEET ON OCEAN WIDE AND RIVERS TOO

Fifteen Sea Vessels, Ten on Lakes, All Registered in Canada

Imperial Oil Limited has engaged in water transport of crude petroleum and refined products ever since 1899, two years after the removal of its then only, and now principal, refinery to Sarnia. It was not until 1921 that the company engaged in ocean transport with its own ships, though previously considerable quantities of oil had been transported for it by chartered vessels. This development coincided with and was a consequence of Imperial's establishment, through International Petroleum Company, Limited, of sources of crude supply in South America. The ocean-going fleet was a necessary link between the company's South American fields and its seaboard refineries.

How the operations of this ocean-going fleet have been expanded is suggested by the figures for 1929, when it transported nearly 14,000,000 barrels of crude and products, thirteen times as much oil as there was produced in Canada's oil fields during that year. It is now the largest privately-owned fleet under Canadian registry.

Owns Largest Tanker

The Imperial fleet of 1899 consisted of three barges which were towed up and down the lakes and through the canals by chartered tugs. The fleet of 1930, Imperial's Golden Jubilee Year, comprises fifteen large ocean-going ships, nine of them motor driven vessels and six steam propelled, ten steamships for lake service and one barge, as well as river boats and numerous barges in Colombia. Last year the lake fleet carried 9,300,000 barrels of crude oil and refined products which brings the aggregate of oil transported during the year by Imperial's own vessels to 23,000,000 barrels.

Another indication of the progress made in the development of Imperial Oil's fleet is afforded by contrasting the company's first tank ship, the steamer "Imperial," with the largest vessel now under the house-flag, the "C. O. Stillman," which has the further distinction of being the largest tankship in the world. The "Imperial," which is still in service on the Pacific Coast, carries 6,000 barrels. The "C. O. Stillman," which was commissioned in 1928, carries 163,145 barrels.

Little Time Ashore

The modern tanker is a highly specialized vessel, designed to move a great quantity of petroleum at the utmost speed and with a minimum of delay for loading and unloading. Her pumping equipment has been developed to a point where she can load or discharge her entire cargo in a period of twenty-four hours. Only a few years ago a lay-over of three days for loading or unloading was considered a quite satisfactory performance, but competition in the oil industry today is too keen and costs are too closely scrutinized to permit tying up for so long a period such an investment as a tanker represents. Consequent upon the improvement in pumping apparatus the tank ship is almost continuously earning and so the unit cost for transport of petroleum has been considerably curtailed. The same principle is common to all transport divisions of the oil industry and in the traffic and motor equipment departments the slogan "keep 'em rolling," is always in mind.

As a tank ship is almost continuously at sea she is to a greater degree than most vessels the year-in and year-out home of her crew. Except at such times as overhauls are necessary Jack Tanker has no time ashore, and to compensate for this he is accommodated in a style that would turn the average tar green with envy. The quarters and cuisine which he enjoys are comparable to passenger accommodation on many liners.

Urge Lambton County To Finance Road Work

Owes Only $2,700 in Debentures—Claim Construction Programme Would be Economical and Help Solve Unemployment Problem

The county of Lambton has a debenture debt of only $2,659, which will be extinguished entirely in 1933. County taxes total more than $350,000.

The excellent condition of county finances has resulted in an agitation, especially in Sarnia and the towns of the county, for a comprehensive programme of county improvements, especially roads, the money to be raised by the issue of debentures on the credit of the county.

It is argued that the benefits from such a programme embarked on at this time are several in number.

First, the county could borrow the money cheaply. Second, needed improvements could be obtained without adding materially to the tax rate. Third, costs of construction now are lower than for a number of years past. Fourth, such a programme would provide employment for a considerable number of men. There are about 1,000 registered unemployed in Sarnia and probably several hundred more in the municipalities of Lambton county.

The present condition of county roads leaves much to be desired, it is stated, although in 1930 the county spent $171,019 on the system, of which it received $102,717 from the province. It is contended that the present system of gravel roads is costly to maintain and generally less satisfactory than paved roads, that the county could finance construction of permanent highways and, in the end, spend less on its system than at present, even allowing for interest charges on the debenture debt incurred. The Blue Water Highway, which is an important tourist route along Lake Huron from Sarnia, is a gravel road for most of the distance and it is believed that the tourist business would be increased materially if the dust evil could be eliminated.

Lambton county's share of the cost of financing and maintenance of provincial highways within its borders in 1930 totalled $51,932. This is an expense in addition to the expense of maintaining the county system.

Six Big Banks Have Branches

Sarnia's first chartered bank was a branch of the Bank of Upper Canada, which established its office in 1852 on Christina street north. This building, a tiny structure, is still standing on its original site.

In 1858 the business of this branch, the first bank in Canada west of London, had grown to such an extent that a new building was built on the site now occupied by the county offices.

The Bank of Upper Canada failed prior to Confederation. Its property was bought by the Bank of Montreal, which continued the office until 1875 when it moved to its present location.

Sarnia today is served by six of the Canadian chartered banks: the Bank of Toronto, Dominion Bank, Bank of Nova Scotia, Royal Bank, Canadian Bank of Commerce and the Bank of Montreal.

JOHN COWAN
President

W. R. PAUL
Managing Director

THE INDUSTRIAL
MORTGAGE AND
TRUST COMPANY

Established 1889

197 FRONT STREET
SARNIA, ONTARIO

A. Cope & Sons
Limited
General Contractors

Steam and Gas Shovel Work
of Every Description
Excavating, Grading, Pile Driving,
Sewer Construction and Road Work
Manufacturers Reinforced Concrete Pipe, All Sizes
HAMILTON - LONDON - SARNIA

SARNIA
Hydro-Electric
SYSTEM

Electricity at cost
Awaits You in Sarnia

We have an Unlimited Supply of Power; with Two Separate Direct Lines to meet all emergencies

HYDRO Stands Ready to Serve You.
Dependable Service, Cheapest Cost.

SARNIA BRIDGE
CO., LIMITED
SARNIA · CANADA

STRUCTURAL STEEL
for Bridges and Buildings
International Steel Twin Ties
Sarnia Steel Roof Deck
Massillon Bar Joists

Head Office & Works:
SARNIA - - CANADA

GAS PLAYS A MAJOR PART IN THE DEVELOPMENT OF A GREATER SARNIA

"Safe, Economical Convenient"

HEAT and power supplied by gas turn the wheels of some of Sarnia's largest factories. Many factories would not be able to operate were it not for the low price and convenience of gas. New industries often make sure that they can procure gas for heating before locating in a new city. Sarnia factories using gas for heat and power ship their products to all parts of the world.

"Do it with Gas"

UNION GAS COMPANY OF CANADA
SARNIA ONTARIO

GOLD STANDARD FIRST STARTED BACK IN 1816

Great Britain Took Lead and Other Nations Followed

It is just 115 years since the gold standard came into prominence as an important factor in the world's monetary system.

In 1816, Great Britain was suffering from the effects of the Napoleonic wars and the notes of the Bank of England were inconvertible. Legislative enactments in that year laid the foundation for a gold standard and in 1819 a Resumption Act was passed which not only provided for convertibility of the B. of E. notes into bullion but also repealed the then existing prohibition upon the melting and exportation of gold coin. The Bank found it possible to resume payment of its notes in coin before the appointed date (May 1, 1823) and a further act was passed by which payment of the Bank's notes "in current and lawful coin of the realm" was permitted on and after May 1, 1821.

From that time until the Great War, Britain was on the gold standard and as a result of this most of the leading commercial nations of the world followed her example, although it was not until 1870 that the balance of power swung finally to the yellow metal. As far as Great Britain was concerned the gold standard meant that an ounce of gold, eleventh-twelfths fine could at any time be sold to the Bank of England for £3 17s. 9d. and was manufactured into £3 17s. 10½d. of gold coin. The sovereign, containing 113 grains of fine gold, could be melted or exported at will and all forms of currency themselves were convertible freely into gold at par with the sovereign which was itself at par with unminted bullion.

War Record

During the war Great Britain at first evaded going off the gold standard by the issue of "Currency Notes" issued by the Government for £1 and 10s. denominations and convertible into gold at the Bank of England. This really meant an inflation of the currency so that in effect gold coin was deprived of any status higher than that of paper currency, with which it was interchangeable, and a law was passed making it impossible to convert gold into a more valuable use. Gold supplies of the Empire were commandeered at pre-war prices and gold exports were controlled, thus maintaining a purely fictitious market price. Finally, exchange with U. S. dollars was "pegged" at great cost so that the effects of inflation were prevented from becoming apparent in the rise of the American dollar in terms of pound sterling.

After the war some parts of this restriction system had to be altered and when support of the U. S. treasury was withdrawn the "pegging" process at $4.7666 became impossible. This was in 1919 and by December sterling dropped to $3.803 to touch a low of $3.378 in February, 1920.

In the meantime the famous Cunliffe report had been brought in which stated: "We have found nothing in the experience of the war to falsify the lessons of previous experience that the adoption of a currency not convertible with gold or other exportable coin is likely in practice to lead to over-issue and so to destroy the measure of exchangeable value and cause a general rise in all prices and an advance adverse movement in the foreign exchanges."

Lord Cunliffe, chairman of the committee to examine the currency situation in 1928, was then Governor of the Bank of England. The final report from which the above is quoted was submitted in December, 1919, and as action could be no longer delayed with the pound slipping to nearly $1 below its former par, a gold and silver export control bill was passed prohibiting for five years the export of gold and silver coin and gold and silver bullion, except under license, and to continue without limit of date the prohibition against the breaking up or melting down of British, Colonial or foreign legal tender gold coin. In addition the amount of "Currency Notes" not covered by gold reserves, were limited in amount.

Through the remainder of 1920 and for the 11 months of 1921, the pound kept under the $4 mark. In 1922 it fluctuated between $4.22 and $4.617. In 1923 exchange fell gradually from an average of $4.696 in March to an average of $4.360 in December. In 1924 it rose from a January average of $4.261, to a December average of $4.694 to go on rising consistently till the end of 1925.

In the struggle as to whether the pound should be revalued at its old level or not industrialists apparently allied themselves for the most part with the Federation of British Industries and a school of economists who, among themselves, were divided as to whether gold should be demonitized or whether fiduciary note issue should be limited by a form of credit control. Devaluation of paper money at a gold value less than the pre-war level was said to have never been seriously discussed, though it would have cut the feet from both sides of the opposing factions.

Winston Churchill, Chancellor of the Exchequer, aided by a committee including Sir Otto Niemeyer and Austen Chamberlain, finally took action in April, 1925, to restore the gold standard on its pre-war basis, which was followed by similar action on the part of South Africa, Holland, Dutch East Indies, Australia, New Zealand, Denmark, Sweden, Austria and Germany although in the two latter countries a devaluation had already taken place of considerable proportions. Subsequently most of the leading nations of the world have adopted some variation of the gold standard.

Makes New Refrigerator

The first Canadian-made refrigerator at the plant of the Canadian General Electric Company at Peterboro has been turned out and a special sales campaign is to start to popularize this made-in-Canada product. The capacity of the plant at present is 25 refrigerators a day.

Economist Gives Views New Sterling Regime

World-famous British Authority Makes Comprehensive Review of Causes and Probable Effects of British Action

By DR. T. E. GREGORY

Professor of Banking, London School of Economics
Address before Canadian Club of Toronto

First of all how does it come that five years after the return of Great Britain to the gold standard it is necessary to suspend the gold standard act? Of course it is perfectly true that the immediate causes of that suspension, the causes which undoubtedly weighed most heavily with the Bank of England and with the British government arose in the course of last week and probably arose even in the course of the last 48 hours, but they are not to my mind the most important of the causes which have to be taken into account. They represent, if you like, the failure of the third line of trenches, but there are deeper lying causes, some of which we monetary economists have had reason to suspect were in existence for a good many months.

In the first place I think there has been a feeling over a large part of Europe that the traditional economic strength of Great Britain has been declining ever since the war. A particularly noticeable example of that kind of attitude toward Great Britain is to be found in that very brilliant and instructive work of the French economist Andre Seigfried, on "Britain's Crisis." It sums up what everyone who is familiar with continental opinion knows as the continental attitude toward Great Britain, and I don't think, speaking as an Englishman here that there is the slightest use in concealing that superficially some of these criticisms are justified.

Old Industrial Country

We are an old industrial country and in addition to that we are, I think, inspired by a very fine, a very real sense of social justice. But these two things in conjunction have meant that the economic machine of Great Britain has not been as receptive to changes in the currents of world trade and production as the economic machines of other countries. Our wage level has been rigid, more rigid than that of other countries; our social institutions have helped to maintain that rigidity and it is unfortunate from the standpoint of Great Britain that the one element in the complex of social reform institutions which has been most misunderstood in other countries has been the British system of unemployment insurance, vulgarly known as the dole. It is clear that over a large part of the United States and even in some European countries the fact that unemployed workers were entitled under the British scheme to a certain weekly income was misinterpreted as indicating that the British working classes themselves did not contribute in any way to the unemployment insurance fund. That causes complete misconception of the situation but in analyzing the causes why there has been a bear market in Great Britain abroad, the misunderstanding of what the dole implied in reality has been a very important single element.

People have overlooked by and large the existence of a great mass of international investments in British hands; people have overlooked that of all the European countries, indeed of all the world countries Britain still possessed until quite recently the greatest volume of international trade; people overlooked the fact that although before the war our leading industries were cotton and wool, and that therefore we are somewhat behind in the extension of the newer industries; since the war the extension of new industries have brought rapid progress. People have overlooked finally that in spite of the handicaps due the social legislation and high taxation and all the rest of it nevertheless in the last 4 or 5 years productivity per head of employed population has been going up at something like ten per cent. All the unfavorable elements in the situation are present in everybody's cognizance. The more favorable elements in the situation have tended to be overlooked. The result has been that whenever there has been a grave international situation of any kind the tendency was to over exaggerate the unfavorable effects of that international crisis of the British economic situation.

European Crisis

The second factor has been the European crisis which has been threatening for the last two years and became acute with the failure of the Austro-German bank in June. Acting upon the principle that you borrow in the cheapest market and lend in the dearest, the London money market has been borrowing from the United States and France and reinvesting in short loans to Germany and Austria. It was inevitable, therefore, that as soon as difficulties became prominent in Austria and Germany reactions occurred in London.

And in the third place there have had to be faced in the last two weeks a series of unfavorable events which nobody could have foretold. Nobody could have foretold that the press of the entire world would have featured for a couple of days a so-called mutiny in the British navy, an incident which I believe has been greatly exaggerated, and which I believe has had a profoundly depressing psychological effect.

Nobody could have seen ahead that the talk of a general election which would have undoubtedly resulted in the election of the Conservative party and the introduction of tariff could have succeeded in depressing the minds of Wall Street bankers. And nobody could have foreseen that people owing balances in London, when hundreds of millions were being lent to England, instead of feeling secure were to withdraw their money.

So the suspension of the gold standard has been due immediately, partly to a depressing feeling in Central European finances and partly to a series of incidents being interpreted in a particular way by the money markets of other countries.

I think the action of the British government was the only one it could have undertaken. If you are going to exhaust your gold reserves and yet find yourselves no better off than before, it is better to suspend the gold standard than to continue until the last gold sovereign has disappeared.

Background of Depression

But I do not think that the so-called weakness of the banks of Central Europe or the quite trivial events that have occurred are quite adequate to explain the world's present mind. All have been featured against a background that is extraordinarily depressing, and here I want to say that I think it is the first duty of every business man to realize that the depression that began in 1929 and has gone on in all countries tends to make the foundations of capitalistic systems extremely insecure, not only in Great Britain, but in the United States.

If one asks the cause, I think in the last two years economic systems have been weakened because, whether for better or for worse (and I think for worse) they have been accompanied by weak political influences.

Why hasn't it happened? Because last autumn the fall of world prices produced an unfavorable political situation in Germany, which, in turn, produced an unfavorable political situation in France, thus creating an unfavorable relationship between France and Germany which involved Europe, constantly influenced as it is by the network of inter-allied debts and reparations. And until these influences are reduced, you cannot expect anything else.

Hoover Moratorium

I thought last year that President Hoover's offer of the moratorium was the break in the clouds and would be followed by an immediate response in the stock market. If it had not been poisoned by politicians the whole series of episodes through which the world has passed in the last few weeks, would not have happened. But the situation is such today that the important and real weakening of the social framework as a whole is not in actual private ownership but in that the whole economics of the world lies in the hands of economic politicians whose interests are not economic but political. This has resulted in the spoiling of the psychological effects of the Hoover moratorium.

In the end, the British crisis had been produced by unexpected dangerous economic and political features of which the most important have been political.

Fortunately, however, an age-long enmity exists between politicians and economists, and so, from my point of view, if you want to pass the buck, pass it to the politicians with whose views you are not in agreement.

I believe although the existence of a large increased mass of bonded indebtedness has further accentuated the crisis, a large part of this difficulty is between governments.

If the pound sterling finally settles down at 4.20, that will be the equivalent to the British manufacturer of his selling price to foreigners. If the pound doesn't fall to pieces altogether, the immediate effects will be favorable to the British manufacturer. He will be able to compete more favorably with countries with internal costs greater than in Britain itself.

But there are two other possible consequences, more doubtful. Bankers, investment houses and the general public of all countries are in such a state of bewilderment or panic, it is hard to tell how financial markets are going to regard the pound sterling. No one knows how far the pound will go down.

A sharp fall will have the effect of making it fall still more, because everyone will think his worse anticipations are going to be realized, and so will assist in making them realized. If the pessimism in other countries drives the pound down too far below where it is safe to go, the prospect is not bright.

The other possibility concerns the domestic position at home. If the pound sinks to 4, or 4.20, it is inevitable that prices of imported foodstuffs in England will go up. If a fall in the pound is followed by no change in English costs everyone will be able to spend as much as before. But if it is followed by a rise in the price of imported foodstuffs and increased wage demands by working classes, the fall will not help the British manufacturer, but make it worse. Internal costs to him would naturally go up if there is a rise in price of imported foodstuffs.

Gold Standard Issue

There are certain elements to be considered, some favorable, some unfavorable, and only time will tell which will dominate. But I would fail in my duty if I did not deal with what, from a world point of view, is in my opinion, of signal consequence. Suspension of the gold standard in Great Britain has reopened the question of the future of the gold standard not only for Great Britain, but the entire world.

There are now only two absolutely first-class powers on the gold standard, United States and France. Great Britain has opened the question whether in future it is worth while resuming all the sacrifices that have undoubtedly been incurred in the last five years, since the gold standard was re-established in 1925.

What Will Parity Be?

Whenever great international crises arise, will we have to get off the gold standard again? It has raised at a time when everyone is disappointed a question of great significance. It is quite true that the British government announced that its action is temporary, but I think any government in Great Britain is bound to adhere to a declaration of that kind. But if Great Britain goes back upon the gold standard and reinforces United States and France, the question arises if it will go back on the old parity to the dollar or a new parity to the dollar.

Suppose we stay off the gold standard and Great Britain's example is followed by all other gold standard countries, France and Scandinavia, South America, all over the world, what will be the future value of gold and gold mining companies?

Very powerful and important intellectual interests in Great Britain will welcome the action the British government took yesterday, for they will say that they always predicted that the gold standard wouldn't stay. And they will all look forward to a much more powerful permanent movement against the return of the gold standard than was made previous to 1925.

It may be that what we have been witnessing in the last 24 hours is not only the failure of the pound sterling to remain on the gold standard, but the failure of the modern capitalistic systems of the world to resolve the problems that arise in modern communities to the gold standard at all.

How Gold Standard Countries Ranked at End of 1930

What is the gold standard?

The fact that a country has a gold standard implies that the currency of that country is bound up with the metal gold in a fixed ratio of value so that the price of gold in the currency is fixed to within very narrow limits which are known as "gold points." Under the old arrangement in Great Britain which had been in force since April, 1925, £1 sterling was equal to 113 grains of fine gold and 400 ounces of fine gold were obtainable at any time for 407,900 pence of currency. Thus to be effective one must also, in a gold standard country, be able to obtain for a certain quantity of gold either at home or abroad, a certain sum in the currency of the country and, vice versa, one must be able for such a sum a certain quantity of freely disposable gold.

Previous to the war nearly all the trading nations of the world were on a rigid gold standard but since the war only a limited number of countries have followed Great Britain's lead and have held to a rigid gold standard, the remainder having been content to tie themselves to gold in a more informal way. The following table prepared by the League of Nations shows the actual position of world countries in this respect at the middle of 1930.

Countries legally required to redeem only in gold.	Countries legally required to redeem only in gold or foreign gold exchange.	Countries legally required to redeem only in foreign gold exchange.	Countries not legally required to redeem in a gold value.
(Argentine).	Algeria.	British East Africa.	Albania.
Australia.	Bolivia.	British West Africa.	(Austria).
Brazil.	Chile.	Bulgaria.	Belgian Congo.
Canada.	Costa Rica.	Free City of Danzig.	Belgium.
Colombia.	(Czechoslovakia).	Estonia.	British Guiana.
Denmark.	Ecuador.	French West Africa.	Curaçao.
France.	Finland.	Greece.	Egypt.
Great Britain.	India.	Madagascar.	Germany.
(Iceland).	Irish Free State.	Martinique.	Guatemala.
Indo-China.	Italy.	Guadeloupe.	(Hungary).
Japan.	(Peru).	French Guiana.	Lithuania.†
Latvia.	Philippine Islands.	Réunion.	Netherlands.
Mexico.	Poland.	Morocco.	Netherlands Indies.
New Zealand.	Roumania.	Palestine.	Persia.
Norway.	Siam.	Straits Settlements.	(Portugal).
(Paraguay).	Switzerland.		Spain.
(Salvador).			Surinam.
Sweden.			Turkey.†
Union of South Africa.			Venezuela.
United States of America.			Yugoslavia.
(Uruguay).			

† Notes are incontrovertible and no legal provision exists regarding exemption.

Note:—Brackets mean provisions enacted but not in force.

World Stock Markets Take Pound Drop Well

London Stock Exchange Gives Strong and Orderly Lead—N. Y. Stock Exchange Drops Ban on Short Selling in Consequence

First day's trading on the London Stock Exchange, when it re-opened, on Wednesday, September 23, was orderly, with interlisted issues showing strength. Canadians awaited results of London trading with more interest than has been shown for two decades with the idea that the action of this exchange would indicate more clearly than any other factor the immediate trend of the future so far as financial and stock market sentiment can show the effect of the British abandonment of the gold standard. That the trend was on the whole favorable is the view in New York where the ban on short selling was lifted without making any appreciable immediate difference in prices.

International Nickel, Brazilian, Imperial Oil, C. P. R., International Petroleum, the principal Canadian gold stocks, Walker's, B. A. Oil and other interlisted stocks, which had shown a downward trend during the days while the London Stock Exchange was closed, exhibited comparative strength after short selling was permitted. Canadian stock exchanges are extending the free list to all important interlisted issues and, if the strength of the great world exchanges keeps up, it is expected that trading on Canadian exchanges will soon be of a character to reflect once again the combined views of buyers and sellers as to values of securities.

Following the announcement of Great Britain to suspend The Gold Redemption Act the Montreal and Toronto Stock Exchanges and The Standard Stock & Mining Exchange decided not to suspend trading as was done in London, but to limit the low levels of prices to those prevailing at Saturday's close.

Golds Helped by Situation

The effect of pegging prices was to give stability to market and prevent a bear raid that otherwise would have been the inevitable result. Trading had a listless tone although there was a fair amount of sales in a few issues. The gold stocks which had been showing remarkable strength recently in an otherwise depressed market, failed to rally or show any buoyancy above Saturday's close. The interlisted gold stocks for the most part sold at new recent lows on the New York Exchanges, where prices were not pegged.

Such stocks as McIntyre-Porcupine, Hollinger and Dome, which were pegged on the Standard Stock & Mining Exchange, sold in New York at prices higher by the 10 per cent premium on New York funds. There was considerable evidence of arbitrage sales. Teck Hughes, which was pegged on the Standard Exchange, was actively traded on the New York curb at a low of $4.75 while the pegged price on the Standard Exchange was $6 per share.

The pegging of prices is a matter considered by the exchange committees daily with the restriction removed on some stocks each day as strength is displayed.

The action of New York in sacrificing some of the better Canadian gold stocks can only be attributed to a panicky attitude since some of the United States gold issues advanced, notably Alaska Juneau, which is up about $1. The operating position of the Canadian gold is improved by the exchange situation.

STERLING DROP FAR-REACHING IN ITS EFFECT

(Continued from page 1)

$4 or $4.25 the British manufacturer would tend to temporarily benefit because he would hold virtually a 15 per cent advantage in world markets, since buyers would only have to pay him the equivalent of the new price of sterling —say $4.25—for every $4.86 of goods received.

On the other hand, it was pointed out that conversely costs of all imported goods in Great Britain including foodstuffs, would rise and that if this rise (depending, of course, on the extent to which the pound depreciated) were sufficient to cause costs of manufacture to mount and cause demands for wage increases and so forth it would obviously lead to further instability and economic chaos.

Finally, the point was made that the most outstanding consequence from the world point of view was undoubtedly that Great Britain had now definitely reopened the entire question of the future of gold as a standard of exchange and that in all probability this matter which in 1925 had apparently been closed once and for all would now be definitely re-opened.

Canada's Position

Canada, according to Prime Minister Bennett, will remain on the gold standard, but with our exchange anywhere near the Tuesday levels of a 10 or 12 cent discount to American funds, there is little possibility that the government or the chartered banks will allow gold to be shipped in any great quantity from the country which virtually makes the gold standard ineffective in an international sense. This situation happened about two years ago as far as Canada and the United States were concerned and a tacit agreement was made between the government and the banks that the latter should not ship gold even though they could make a substantial profit thereby. Opinion among leading Canadian bankers seems to indicate that Canada will have little difficulty in maintaining its exchange at or near the U. S. dollar once the first shock of the British move has been absorbed.

The present situation regarding Canadian external trade is so highly involved that a clear analysis would seem to be almost impossible. Obviously a large volume of business formerly closely contested as to price between Great Britain and the United States, particularly in textiles, coal and iron and steel, will now go to Great Britain where formerly it went to the United States. This, for two reasons, for not only have British manufacturers a present advantage of about 15 per cent through their own exchange but in addition, the United States manufacturer is handicapped by an additional 10 per cent because Canadian dollars are quoted (nominally) around the 90 cent mark in New York. As pointed out above, however, such an advantage would tend to be temporary in that rising costs will probably soon overtake the British manufacturer and cut down his initial advantage, and it is unlikely the Canadian discount will remain at this high level.

Another wide range of goods immediately affected are all items imported into Canada via Great Britain. In such a category would come, for instance, Spanish citrus fruits and similar foodstuffs. Now this merchandise will all come via the United States or else direct, to avoid the depreciation in British currency.

Wheat Situation Upset

Exports of Canadian wheat will undoubtedly be affected since Great Britain, one of our largest buyers, will have to pay a premium for all purchases. If lower costs for British manufactured goods causes an increased flow of goods to Canada, this might tend to balance the usually one-sided flow of grain from Canada at this time of year and might enable Britain and Canada to cancel their own bills without recourse to the United States.

Placer Mining Revives

There has been a revival of activity in placer mining in British Columbia lately and prospecting continues active throughout the likely sections. In the Lardeau River a tractor and dredge is working along the gravel bed for gold deposts.

INDUSTRIAL ACCEPTANCE CORPORATION Limited
Commercial and Industrial Bankers
Head Office—Windsor, Ontario

ADMINISTRATION & TRUST COMPANY
(Société d'Administration et de Fiducie)
(Established in 1902)
Executors *Administrators* *Trustees*
HEAD OFFICE - MONTREAL
5 St. James St. East - Credit Foncier Building
Branches:
Quebec Winnipeg Regina Edmonton Vancouver
HON. SIR H. LAPORTE, Pres. J. THEO. LECLERC, Gen. Manager

£
In Making A Will
you will be materially assisted if you read "Will Planning", a very complete and simple form that we have prepared to explain and aid you in performing this important duty.
A copy will be forwarded, without obligation, upon request.
THE STERLING TRUSTS CORPORATION
Sterling Tower, TORONTO
Branch—REGINA

5 Year FIXED TRUST SHARES
A Special-Purpose Trust Designed for Profit-Taking.
1. 25 underlying stocks selected for enhancement possibilities.
2. Holder is forced to take profits at certain stipulated points.
3. Current return over 5% on present prices. Every stock is a dividend payer.
4. Underlying stocks show greater-than-average deflation from 1929 and 1930 highs.
5. No substitution of underlying stocks. Proceeds of any profit taking sell off distributed to holders.
We shall be glad to furnish you with full information on this investment. No obligation.
Price about 5½ per share
H. R. Bain & Co. Limited
INVESTMENT BANKERS
Atlas Building Toronto

RELIANCE GRAIN COMPANY

LIMITED

AND CONSTITUENT COMPANIES

CONSOLIDATED BALANCE SHEET

as at July 31, 1931

ASSETS

Currents Assets—		
Cash in bank, in office and in hands of paying agents		$ 11,330.19
Grain and Coal per Inventories, less Stored Grain		3,082,928.72
Accounts and Advances Receivable		338,579.39
Accrued Storage on Grain Stored		55,102.89
		3,487,941.19
Stocks and Bonds in Industrial and other Companies		99,301.25
Farm Property, Mortgages and Agreements		71,185.40
		$3,658,427.84
Memberships and Shares—		
Grain Exchange and other Trade Associations		148,000.02
Smith-Murphy Company Inc.—		
2,499 shares at cost		249,900.00
Properties—		
Terminal Site, Buildings and Machinery, Line Elevators and Dwellings, Furniture, Fixtures and other Equipment	$4,034,779.16	
Less Reserves for Depreciation	485,272.58	
		3,549,506.58
Deferred Charges—		
Bond Discount	$ 60,000.00	
Expenses paid in advance	15,555.00	
		75,555.00
		$7,681,389.44

LIABILITIES

Current Liabilities—			
Bank Loans and Overdrafts (Secured)			$1,307,896.81
Accounts Payable, Accrued Expenses, Freight, etc., and provision for Income Taxes			333,614.30
Bond Interest Accrued			9,141.00
Smith-Murphy Company Inc			774,268.96
			$2,424,921.07
First Mortgage and Collateral Trust Sinking Fund Twenty Year Gold Bonds—			
Authorized		$5,000,000.00	
Issued—Series "A" 6% maturing January 2, 1948		$2,000,000.00	
Less Amount redeemed through Sinking Fund		82,500.00	
			1,917,500.00
Capital Stocks and Surplus—			
6½% Cumulative Preferred Stock Authorized—30,000 shares of $100.00 each of which 20,000 shares are issued		$2,000,000.00	
Common Stock and Surplus—			
Capital Surplus	$413,040.55		
Revenue Surplus, per statement attached	925,927.82		
Represented by 100,000 shares of Common Stock without nominal or par value, being the total authorized issue		1,338,968.37	
			3,338,968.37
Contingent Liabilities on			
Bills Receivable under discount	$13,444.95		
Guarantee to Bank on account of certain customers against their property pledges.			
			$7,681,389.44

Approved on behalf of the Board, { SIDNEY T. SMITH, Director. W. A. MURPHY, Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accounts of the Reliance Grain Company Limited and of its constituent companies for the year ended July 31, 1931, and have obtained all the information and explanations we have required. We hereby certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Reliance Grain Company Limited and its constituent companies as at July 31, 1931, according to the best of our information and the explanations given to us and as shown by the books of the companies.

WILLIAM GRAY & CO.
Chartered Accountants.

Winnipeg, September 8, 1931.

CONSOLIDATED REVENUE SURPLUS AS AT JULY 31, 1931

Profits from operations and investments of constituent and wholly owned Canadian Companies for year ended July 31, 1931, after deduction of expenses but before providing for bond interest, depreciation and income taxes		$506,114.11
Deduct—Bond Interest	$116,122.00	
Provision for depreciation	203,973.35	
Provision for income taxes	21,000.00	
		341,095.35
		165,018.76
Dividends on 6½% Cumulative Preferred Stock for year to May 31, 1931		130,000.00
		35,018.76
Balance as at July 31, 1930		890,909.06
Revenue Surplus as at July 31, 1931		$925,927.82

FREDERICK G. TODD
LANDSCAPE ARCHITECT
920 Castle Bldg., MONTREAL
MArquette 9617

ENVELOPES
MACHINE OR HAND MADE
PRINTED OR PLAIN
TORONTO ENVELOPE CO., LTD.
366 ADELAIDE ST. WEST
TORONTO 2

S. A. Morrison & Co.
LIMITED
INVESTMENT SECURITIES BANKERS
Northern Ontario Bldg.
330 Bay St., Toronto 2

OVER 1,300 Canadian Companies
COMPLETELY REVIEWED IN
THE FINANCIAL POST SURVEY OF
CORPORATE SECURITIES

THE 1931 edition of The Financial Post Survey of Corporate Securities is of the greatest possible value to investors. It shows the earnings and balance sheets of over 1,300 Canadian companies for the difficult year of 1930, in comparison with previous years.

Complete information is given about each company in a compact, concise manner.

All new companies formed in the last year are covered.

A section on Fixed Trusts is included.

Each chapter is introduced by an analysis and review of the industry as a whole and the relative position of principal companies is discussed.

Send your $2.00 now so that a copy will be sent to you immediately.

ORDER COUPON

THE FINANCIAL POST,
153 University Ave., Toronto.

Attached is my $2.00. Send me a copy of The Financial Post Survey of Corporate Securities, 1931.

Name ....

Address ....

798

Are Your Investments Secure?

"Certain forms of life assurance, which contract to return the principal cost after a certain time and under certain conditions", says Laurence Chamberlain in his book, "Principles of Bond Insurance", *"are pure investments"*.

He refers to endowment assurance. The pre-eminent security of policy funds held by a company such as the Sun Life is never questioned.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario.
Write 410 Manning Chambers, Toronto.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.

This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Reserves—$36,827,055.00 Surplus—$2,680,759.27

Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger HEAD OFFICE: TORONTO, CAN.

The Portage la Prairie Mutual Insurance Company
ESTABLISHED 1884
Head Office: Portage la Prairie, STRATTON WHITAKER, Manager
Branches:
ONTARIO: Dominion Bank Bldg., Toronto
BRITISH COLUMBIA: Commerce Bldg., Vancouver
Assets Exceed $1,500,000.00
This Company now extends the benefits of its lower rates to Ontario. We invite your application for the Agency in your District.
FIRE AUTOMOBILE PLATE GLASS
BURGLARY CYCLONE
Western Canada's Oldest Mutual Insurance Company

Invest through our head office

When you are seeking sound investments consult the Manager of any Branch of this Bank.

Through the Bank's own Bond Department at Head Office our Managers are kept in constant touch with the investment market.

This service assures you of careful, conservative selection of the highest grade securities.

300

IMPERIAL BANK OF CANADA
HEAD OFFICE TORONTO
Frank A. Rolph, President Sir James Woods, Vice-President
A. E. Phipps, General Manager
240 BRANCHES THROUGHOUT CANADA

Current Events in the Banking World

Says Chartered Banks Have Failed to Hold Confidence of Farmer

Policy May Be Right But It is Not Made Clear

OVER-CAPITALIZED

Saskatchewan Agriculturist Gives Vigorous Analysis of Farm Credit in West at Regina

By A. M. SHAW,
Dean of Agriculture, University of Saskatchewan.
(Extracts from address given at Canadian Chamber of Commerce, Regina)

Farm credit is a subject receiving probably more attention today than any other. Criticism is being levelled at the banks and mortgage and loan companies. Most of it directed at the high interest rates demanded on farm loans in Western Canada and at the tendency of the banks to refuse application for loans that in other days would have been granted without question. We know that this condition exists.

In regard to the banks, it is a matter of record that there was a time when they rather keenly competed for the farmer's business, some of them even going so far as to establish agricultural departments intended, presumably, to act in an advisory capacity in connection with financing the farmers. Whether these ever were of any value either to the farmer or to the bank is extremely doubtful. At any rate they have practically all been discontinued, indicating that the banks are not now so actively interested in the problem of the individual western farmer.

Attitude Not Clear

If the banks are now suffering, and they are having troubles of their own just as surely as other industries, one of the reasons is traceable to the fact that they allowed themselves during a period of twenty or thirty years to be a party to the over capitalization of western agriculture. They are not entirely to blame for this condition. There are other agencies which also must assume some of the responsibility. Their present attitude may be the right one under existing circumstances but if so, it has not been made clear to the farmers of Western Canada.

Then we have the mortgage and loan companies which also are closely linked up with the credit situation in Western Canada. As a class the officers and western representatives of these companies have a clearer grasp of the actual conditions under which the farmer is operating at present than any of the other creditor classes. The reason for this is that their representatives, loan and land inspectors, are as a rule men with practical training, most of them with actual farming experience under western conditions, who by the very nature of their work are constantly in touch with the individual farmer.

Now in Quandary

These companies are now experiencing difficulty and are face to face with the problem of how to carry on in the presence of greatly reduced land values the direct result of the fall in prices of agricultural commodities. They do not want the farmer's land, they prefer his money in the form of interest. Obviously, under present conditions, he is frequently unable to pay either interest or principal. What then is to be done?

To some it would appear this condition of affairs can only be corrected by the old established methods of debt collection, viz., judgments, seizures, foreclosures and evictions. I am not one of those who hold this view, rather I feel that these methods would perhaps be less effective in the straightening out of the difficulties just now than in normal times. I am also firmly of the belief that the majority of the companies involved recognize this fact and are coming to see that only by adjustment, by the cutting of principals, or the lowering, or writing off of interest charges, and by general compromise, can they hope to keep their investments from becoming very seriously impaired or in many cases lost.

Requests from various sources are being received by governments for the enactment of legislation whereby a general moratorium would become immediately effective. There is much difference of opinion in regard to this method, many regarding it as a dangerous procedure. It would seem that it is not by any means certain that, although doubtless affording temporary relief, it would even be in the best interests of the industry it was intended to help. On the other hand, its effect on business, the creditor classes, and the country generally, would be very far reaching indeed.

Favors Debt Adjustment Act

The Debt Adjustment Bureau appeals to me as being a much better method of handling the situation. They possibly should in some cases be given greater powers in the settlement of these vexed questions and in every case a speeding up of the actual procedure would work to the advantage of all concerned.

Let us return for a moment to the question of interest rates. The statement has been made by economists, that the agricultural industry cannot be carried on permanently if required to pay 8 per cent. I am inclined to agree with that statement. The fact that these high rates have been in operation for more than two decades in Western Canada does not by any means refute the statement that permanent agriculture cannot pay interest charges at 8 per cent. The two decades referred to witnessed a very great activity in the sale of farm lands at prices that were continually rising, also the prices received for agricultural products were for the most part slightly above normal.

Many companies during this period paid regular dividends and met with no serious difficulties. They were able to do this because of the facts mentioned. Agriculture during its development period in new countries invariably pays the highest interest rates, while old districts where agriculture has been carried on for long and has become permanent, pays the lowest rates. The answer usually given as to why this should be so, is that in the new and untried districts the risk is so much greater, therefore a high interest rate must be charged to induce capital to invest. This is not the real reason by any means, but rather that the new districts being rapidly settled present the only field where it can be done. The constant influx of people, the rising prices of land, usually far beyond production values, are the real reasons why during these periods high rates are charged. In the older districts where farm lands have gradually dropped to an actual, or a production value, the rates must of necessity be low, simply because they cannot otherwise be paid.

This fact would seem to bear out the statement that the agricultural industry, being recognized generally as a business of comparatively low revenue, cannot indefinitely be expected to pay high interest rates. Western farm land has largely lost its fictitious value and is, today, for the production of wheat worth very little indeed. The value will doubtless change with conditions, but everything, at present, points toward lower land values based more nearly upon its productive capacity.

Implement Companies Oversell

Then we have the implement companies. They have been an important factor in the development of Western agriculture. They have provided implements and machines of all descriptions intended to meet every conceivable requirement. Recent surveys indicate that many western farms are very much over-capitalized and when the data is analyzed it is found that in a large majority of cases it is directly due to being over stocked with machinery. Nowhere else in the world, probably, have the various types of farm machines changed and been replaced so often as in Western Canada during the past twenty years.

This has been brought about, in part, by the demand for new types created by changing conditions. Power in the form of tractors gained a firm hold at an early date, at first very large and ponderous types were used, but later discarded, many of them long before they were worn out, for smaller ones of new design. The seeding, tillage and harvesting machinery had to keep pace and gradually was built on larger lines to fit in with the improved tractor development and the larger acreages that were being farmed. As long as prices for wheat remained at reasonably high levels this went merrily on. Those of you who live in the West will remember the days when whole train loads of tractors, all of one make, consigned to one district, were to be seen, and how the members of the various Boards of Trade in the towns throughout that district would point with pride to the fact as being a concrete evidence of prosperity. I wonder if they all are as sure of it today.

I do not wish to criticize the implement companies. They came into the West to sell implements and machinery and it must be admitted that they succeeded beyond their fondest dreams. The point, however, to bear in mind is this, that due perhaps to every highly developed sales organizations they have succeeded in many cases in over-loading the farmer to such an extent that he finds himself in difficulties as a direct result. The price of machinery today is entirely out of line with the prices of grain. The purchase of new machinery under present conditions simply cannot be done unless the prices are very appreciably reduced. This, however, as yet, has not taken place.

These, then, constitute some of the problems that at present have a very direct bearing upon western agriculture. I have mentioned them particularly because they are matters in which the business men of Canada, as well as the farmers, are vitally interested, and they can only be solved by a complete understanding of the problem by all parties concerned.

1,098 U.S.A. Banks Close Doors in 1931

No one can travel across Canada at the present time without meeting from many sources, criticism of the current attitude of Canadian banks—particularly in the West—toward would-be borrowers.

Much of this criticism is justified—a great deal more is not, but when the appalling record of failures now being rolled up in the U. S. A. is considered, it is natural to reflect on what would have happened to Canada in this year of low prices and crop drought if our banking system had not been tied together by large national institutions.

Latest figures compiled by American Banker show that 1,098 United States banks have closed their doors since Jan. 1, 1931, with deposit liabilities of $764,000,000. Current mortality is at the rate of between 40 and 50 banks a week.

Bank Chat

BANK OF NOVA SCOTIA announces the following appointment:

B. F. CHILTON, formerly manager at Weston, Ont., to be manager at Peterborough, Ont.

CANADIAN BANK OF COMMERCE reports the following staff changes:

V. CURRAN, manager at Robson District, Vancouver, has been appointed an assistant inspector in the Superintendent's Dept., Vancouver.

A. W. GILL, formerly manager at Rosebud, Alta., has been appointed manager at Coaldale, Alta.

G. M. PHEMISTER, manager at Courtright, Ont., has been appointed manager at Monkton, Ont.

W. M. BLACKSTOCK has been appointed manager at Prince Rupert, B. C.

T. R. WATSON, manager at Coaldale, has been appointed manager at Raymond, Alta.

B. J. MELLISH, manager at Prince Rupert, has been appointed manager at Robson District, Vancouver.

Sun Official Thinks Bank Failures Over-Estimated

Stating that loss of confidence in banks leads to hoarding of currency and thus tends to prolong the depression, E. A. MacNutt, treasurer of the Sun Life Assurance Co. of Canada, addressing leading producers of his company assembled in convention at White Sulphur Springs, Va., expressed the conviction that United States bank failures had been tremendously over-estimated.

Out of the average of 700 failures per annum, he said, 40 per cent were in towns under 1,000 population and 60 per cent had a capitalization of $25,000 or less.

League of Nations Issues Book Analyzing Depression

A book whose editorial preparation cost the League of Nations $20,000, was recently published by the Secretariat. This monumental work is entitled "The Course and Phases of the World Economic Depression."

The book, which contains 337 pages and sells for $1.50, was prepared by Professor Ohlin of Stockholm University and the staff of the economic and financial organization of the League as a report which the Assembly ordered a year ago. Data and personal aid were contributed by the economic councils of fifteen countries.

The book contains a mass of authoritative new information, graphic charts and statistical tables covering many phases. The book concludes:

"The disastrous consequences of the general lack of confidence in the world today are becoming more and more evident, and no considerable revival in economic life can be expected until confidence has been strengthened."

C. E. Bourne Again Elected To Financial Advtg. Board

At the seventeenth annual convention of the Financial Advertisers' Association, held in Boston last week, C. E. Bourne, advertising manager of the Royal Bank of Canada, was again elected the Canadian director on the board.

Among the other Canadian members attending were: C. P. C. Downman, The Royal Bank of Canada; C. R. Trenholme, National Trust Company, Montreal; G. L. Spry, Huron & Erie Mortgage Company, London, Ont.; J. W. Jeakins, The Royal Trust Company, Montreal; P. M. Robbins, Sherbrooke Trust Company, Sherbrooke, Que.

Insurance for Buyer and Seller

SUICIDE SITUATION BECOMING SERIOUS, A. B. WOOD STATES

Committee of Actuaries Have Been Studying Question

CLAIMS NUMEROUS

First Renewal Lapse Ratio Also Causes Some Concern —Average is 22½ p.c.

Life insurance claims from suicide have been so numerous and the situation is becoming so serious that a committee composed of actuaries of the leading companies is at present studying this question with the object of protecting the companies from this menace, according to Arthur B. Wood, vice-president of the Sun Life of Canada during an address to the leading producers in the company's convention, recently held at White Sulphur Springs, Virginia.

"Speaking in general terms the large life assurance companies are experiencing a higher rate of mortality this year," said Mr. Wood. "The death rate among large policies has been unusually heavy, the claims from suicide being particularly numerous. So serious has this become that a committee composed of the actuaries of the leading companies has been engaged for some months past studying this question with the object of establishing working regulations designed to protect the companies against assuming risks of a speculative character."

Continuing, Mr. Wood declared that although companies in general are experiencing increased mortality rates this year, Sun Life Company, as a whole, has experienced a ratio of actual to expected deaths which is 3.4 per cent less than for the same period last year, namely, 54.2 per cent as compared with 57.6 per cent. For the United States and Canada combined the ratio is 45.6 per cent as compared with 50.7 per cent in 1931.

Referring to lapsed policies, Mr. Wood said:

"All companies are complaining of the difficulties they are having in conserving their business. The Life Insurance Sales Research Bureau reports for the first six months of 1931 that the first renewal lapse ratio in the companies reporting to the bureau averaged 22½ per cent. The ratio quoted by another paper for the whole continent is placed at 30 per cent. As compared with this, we show a first renewal lapse ratio in Canada for the first seven months of 11.6 per cent only and in the United States of 11.5 per cent as compared with 10.2 per cent and 9.8 per cent in 1930. For the total business throughout the world the ratio is only 12.5 per cent. This is a remarkable showing of the fact of existing conditions."

In discussing new business this year, Mr. Wood referred to a table showing the paid-for business of a representative number of companies for the first six months of 1931 with comparative figures for the corresponding periods of 1930 and 1929. For the purpose of comparison with the Sun Life, the figures for the five largest United States reporting companies were combined. Each of these companies production was considerably behind that of the preceding years, while the combined figures showed $851,000,000 for the 1931 as compared with $1,168,000,000 for 1930, a reduction of 27 per cent. Paid-for production was $288,000,000 for the first six months as compared with $349,000,000 for 1930, a reduction of 18 per cent. In the case of the Sun Life, Mr. Wood said, the reduction is accentuated because of the practical cessation of business in certain Central and South American countries.

Ordinary Life Insurance*

	1926	1927	1928	1929	1930	1931
January ..	$33,907,000	$36,986,000	$47,569,000	$49,739,000	$45,074,000	$41,188,000
February .	34,744,000	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000
March ...	40,488,000	42,883,000	44,823,000	48,066,000	49,047,000	46,945,000
April	37,346,600	41,631,000	46,718,000	51,842,000	51,649,000	45,648,000
May	37,703,000	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000
June	44,634,000	45,298,000	51,844,000	53,402,000	54,168,000	46,227,000
July	40,101,000	39,362,000	49,492,000	54,809,000	46,505,000	39,977,000
August ...	36,010,000	38,360,000	43,503,000	41,329,000	36,249,000	35,738,000
Sept.	34,878,000	35,000,000	38,872,000	43,013,000	38,994,000	
October ..	40,226,000	48,104,000	55,743,000	50,894,000	44,527,000	
Nov.	44,251,000	44,935,000	54,865,000	55,624,000	46,186,000	
Dec.	46,777,000	48,899,000	56,647,000	54,189,000	49,026,000	

Total, First Eight Months, 1931 .... $337,217,000
Total, First Eight Months, 1930 .... $375,488,000

Decrease, First Eight Months, 1931 (10.19%) .... $ 38,271,000
Decrease, August, 1931, from August, 1930 .... 1.41%

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1930. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Licenses Issued

Quebec Department of Insurance announces issuance or extension of licenses as follows:

Portage La Prairie Mutual Insurance Co. has been granted a Certificate of registration authorizing it to transact in Quebec the following classes of insurance: sprinkler leakage, explosion, hail (other than to growing crops), fire, automobile, plate-glass, burglary and tornado. Chief agent for the province is R. E. Schofield, Montreal.

A Thousand Producers But No Applications

The following amusing incident is recounted by an official of the Sun Life Company in connection with the convention recently held at White Sulphur Springs, Virginia.

Into the hotel where a thousand producers of the company were standing around waiting for the next session walked a man who in a loud voice announced his desire to buy some life insurance. The result was electric. Every man in the "big producer" throng hunted through his pockets for an application form. No one appeared to have anticipated such an emergency. A scramble ensued and it was half an hour before one was finally produced.

P.S.—Although this is a true story and not a fable, readers will be allowed to draw their own moral therefrom.

SAYS T. B. DEATHS ARE HIGH IN EAST

Metropolitan Life Official Speaks at Montreal on Survey

While there has been a considerable decrease in the United States in deaths from tuberculosis during the past five years, in Canada the mortality from this cause has declined at a far slower rate, according to figures quoted by Louis I. Dublin, Ph. D., statistician of the Metropolitan Life Insurance Co., at a meeting of the American Public Health Association held at Montreal recently.

Study of the situation has revealed that the death rate from this disease in 1930 in Canada was 97.3 per 100,000 of population, as compared with a rate of 59 per 100,000 among whites living in the U. S. This discrepancy is attributed by Dr. Dublin to the high mortality among industrial employees in cities in Quebec, Nova Scotia and New Brunswick, it being pointed out that the figures related almost exclusively to city dwellers. Outside the provinces named, however, the Canadian death rate is well below the average among white wage earners in the United States.

The necessity of universal pasteurization of milk was emphasized as a means of reducing the toll of the tuberculosis germ.

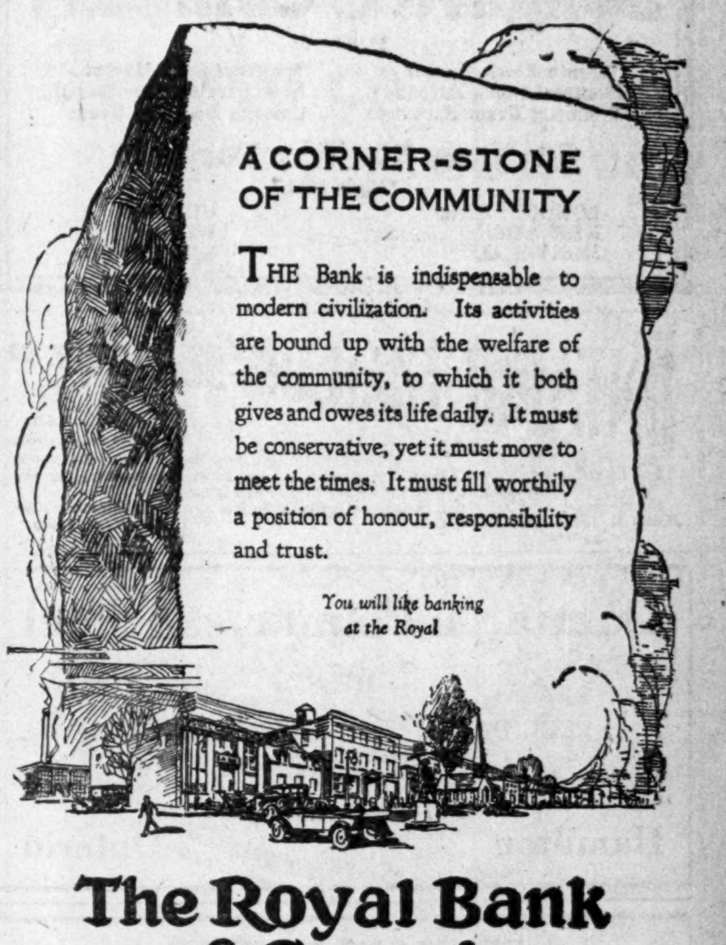
Life Insurance Sales Held Up Well in August

Sales of new paid-for ordinary life insurance in Canada and Newfoundland during August were in excess of $35,738,000, according to the monthly report of the Life Insurance Sales Research Bureau. This figure compares with $39,977,000 for July, 1931, and $36,249,000 for August last year.

The volume of new business was particularly gratifying in Nova Scotia where the increase over August, 1930, was nearly 50 per cent. Ontario, with total new business of $14,902,000, showed an increase of over three per cent.

For the year to date sales total $337,217,000, this being about 10 per cent below the figure for the corresponding eight months last year, showing therein a slightly improved position over the seven months comparison, due to a smaller drop from the July total this year than last.

Sales by provinces for August were as follows: Alberta, $1,586,000; British Columbia, $2,546,000; Manitoba, $2,074,000; New Brunswick, $842,000; Nova Scotia, $1,509,000; Ontario, $14,902,000; Prince Edward Island, $172,000; Quebec, $10,376,000; Saskatchewan, $1,341,000; Newfoundland, $300,000.



A CORNER-STONE OF THE COMMUNITY

THE Bank is indispensable to modern civilization. Its activities are bound up with the welfare of the community, to which it both gives and owes its life daily. It must be conservative, yet it must move to meet the times. It must fill worthily a position of honour, responsibility and trust.

You will like banking at the Royal

The Royal Bank of Canada

3128

Insurance Inklings

G. F. GILLIES has been appointed manager for south-eastern Saskatchewan by the Western Empire Life Assurance Co., with headquarters at Kerr Building, Regina. He was formerly manager of the northern Alberta division of this company, at Edmonton.

SOL FRESHMAN, Canada Life Co., has been appointed field instructor at Central Ontario branch.

VERNON HALE has been appointed associate manager of the Central Ontario branch, Canada Life Co.

W. A. BATES, representing the Canada Life in Brampton, holds the enviable record of having never failed in any week in the past 8½ years to turn in a policy.

JOHN A. (FRED) MINGAY, former manager for Canada of the Ocean Accident and Guarantee Corp. at Toronto, died on September 17 in the Wellesley Hospital. Mr. Mingay was in his fifty-fourth year.

C. S. OVEREND and J. C. MACDONALD have been appointed cashiers at the newly organized branch offices of the Great West Life Assurance Co. at Regina and Saskatoon respectively. Other members of the head office staff being moved are N. Powell, H. Eatough, W. Murden, and Misses G. Allen, B. Booker and M. Hall.

Branch Banks Number 4,187

Canadian chartered banks had in operation at August 31, 4,007 branches in Canada, 26 in Newfoundland, and 154 elsewhere, making a total of 4,187. During the month seven branches were closed.

Ottawa Population Gains

According to the official census taken in June, Ottawa has a population of 124,988, or an increase of 15.90 per cent in ten years. The 1921 census gave Ottawa a population of 107,843.

The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG
Assets Over $120,000,000
Insurance in force Over $600,000,000

ACCIDENT · SICKNESS · BURGLARY · GUARANTEE · FIRE · MARINE · AUTOMOBILE
BRITISH EMPIRE ASSURANCE COMPANY
HEAD OFFICE · TORONTO

LIFE INSURANCE

CHARTERED TRUST AND EXECUTOR COMPANY believes that the life insurance business in Canada is on the threshold of a phenomenal expansion. What a privilege it is to purchase for your wife and children, by periodical payments, the protection which life insurance affords!

Chartered Trust and Executor Company does not sell life insurance. It is, however, interested in the future welfare of your wife and others daily dependent upon you. Stop and think—would your family suffer if they should be bereft now of your support and maintenance?

CHARTERED TRUST AND EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.
President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY
HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL
The Largest Insurance Institution in the British Empire

Bongard & Company

Members:

Toronto Stock Exchange · Montreal Curb Market
Montreal Stock Exchange · New York Curb (Assoc.)
Winnipeg Grain Exchange · Chicago Board of Trade

80 King St. W., Toronto
*Elgin 5381

LONDON, ENG. · GUELPH
NEW YORK · WINDSOR
MONTREAL · KITCHENER

THE **ONTARIO LOAN AND DEBENTURE CO**

LONDON, CANADA
61 Years in Business

Capital $2,000,000—Reserve Fund $3,200,000.

The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.

Money loaned on First Mortgages, including building loans. Applications invited.

JOHN G. RICHTER, *President.* T. H. MAIN, *Manager.*

Dominion Foundries & Steel
Limited

STEEL PLATE · STEEL FORGINGS
STEEL CASTINGS
For Every Purpose

Hamilton · Ontario

PENMANS LIMITED
General Offices: Paris, Ontario
Manufacturers of High-Grade
KNITTED UNDERWEAR, HOSIERY, and OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec

Selling Agents to the Wholesale Trade:
John Gordon & Son, Limited, Montreal and Toronto.
To the Retail Trade:
Montreal, Quebec, Toronto, Ottawa, London, Hamilton, Halifax, Saint John, N.B.
Agents:
Bryce Sales Limited, Calgary, Winnipeg and Vancouver.
Export Representatives:
Great Britain and Ireland: Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, Eng.
W. J. Cutcliffe, London, Eng.
A. Lowry, Belfast, Ireland.
Australia: Hugh Scott Young, Melbourne.
New Zealand: H. W. Airey, Ltd., Auckland, Dunedin, Wellington.
South Africa: L. C. Carrick, Johannesburg.
Newfoundland: S. Elliott & Co., St. John's.
British West Indies: Wilson & Johnstone Ltd., Port-of-Spain, Trinidad.
Lester W. Huddle, Kingston, Jamaica.
China and Japan: Messrs. Horn & Nobbins, Shanghai, China.

Atlantic Sugar Refineries
LIMITED

Lantic Sugar

General Offices
485 McGILL STREET
MONTREAL

Refineries - Saint John, N.B.

Dominion Bridge Co.
LIMITED
Montreal, P.Q.

Engineers, Manufacturers and Erectors of Steel Structures

Head Office and Works · *Branch Office and Works*
Lachine Locks, P.Q. · Amherst Ottawa Toronto
P.O. Address, Montreal, P.Q. · Winnipeg Calgary Vancouver

Sales Offices
Montreal · Toronto · Calgary · Edmonton
Ottawa · Winnipeg · Regina · Vancouver

Trust and Loan Securities Attractive as Investments

Canadian Institutions Are Attractive to Investors; Safe for Deposits

SAFETY, appreciation, marketability and yield are four essentials of investment in stocks. Shares in many of the trust and loan companies of Canada combine these factors.

It is noteworthy that in a period of declining stock values, such as the last, the average price of nine trust and loan stocks listed on the Toronto Stock Exchange was only 1.2 per cent below the level prevailing a year previously. In that same time, the average of eight bank stocks had declined 4.6 per cent, ten public utilities had declined 11 per cent and 20 important industrial stocks had declined an average of 21 per cent.

Learn of these fine stocks

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please enter my name for:
☐ .... copies of new Trust and Loan Booklet at 25c.

Name ....
Address ....

796

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

·WEEK ENDING SEPTEMBER 21

Range 1931 High	Range 1931 Low	Divd. Rate in $	Yield in % Sept. 19		Sales	Close Sept. 14 (or last)	Week Ending —Sept. 21— High	Low	Close
13⅜	3¼	.	...	Abitibi, c.	545	4	4	3½	3½
50	12	.	...	Do. pref.	541	12½	..	..	..
105	80	7	8.7	Do. pref.	....	80½	..	..	..
8	5½	.	...	Agnew Surp. c.	....	7½	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
6¼	2½	.	...	Alta. Pac. Gr.	120	3	2½	2½	2½
30	10½	.	...	Do. pref.	10	16	16	12	16
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	....	.25	..	..	..
2	½	.	...	Do. pref.	45	½	½	½	½
9	5	60c	12	Assoc. Brew.	770	7	6½	5	5
70½	67	7	9.9	Do. pref.	20	70	70½	70	70
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	..	Assoc. Tele.	....	66	..	..	..
37½	12⅜	.	...	Atlan. Sugar	530	22	23	22	22½
105	79¾	.	...	Do. pref.	20	92	91½	91½	91½
175½	158¼	10	6.1	Bk. Can. Nat.	34	164	164¾	164¾	164¾
303	235	12+2	5.9	Bk. Montreal	347	237	238	235	235
326	284	16	5.6	Bk. N. Scotia	166	300	296	284	284
238	213	12+1	6.1	Bk. of Toronto	120	220	215	213	213
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5¼	3½	.	...	Bathurst Pr.	....	3½	..	..	..
5	2	.	...	Do. (B)	....	2½	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	130	6	6	6	6
20	10	2	19.5	Beatty Bros.	75	13	12	10	10¼
80	60	6	9.4	Do. pref.	15	65	63½	63½	63½
8½	3	.	...	Beauharnois	5172	4	4	3½	3½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	90	7	7.8	D . pref.	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅛	123	8	6.4	Bell Telephone	1872	130½	130¼	123	125
4½	3	.	...	Biltmore Hats	....	3	..	..	..
65	60	7	10.8	Do. pref.	....	65	..	..	..
x22	14	.	...	Bissell, T. E.	....	..	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	12.5	Blue Ribbon	35	16	16½	16	16
39¼	30	3.25	9.3	Do. pref.	195	35	35	33	35
22½	14	2	11.4	Brant. Cd. pf.	80	19	19	17½	17½
28½	10¾	25c	...	Brazilian Tr.	40496	13¾	14¼	10¾	11
x2	⅞	.	...	Brew. & Distil.	....	..	..	..	..
16½	8	80c	8	Brit. Amer. Oil	10103	10½	11	9⅞	9⅞
3½	½	.	...	B.C. Packers	125	1½	1¼	1	1¼
22	5	.	...	Do. pref.	....	5⅜	..	..	..
42½	26	2	7.1	B.C. Power	2783	33	32½	26	27½
18	7	.	...	Do. (B)	271	8	8	7	7
2	1	.	...	B.E. Steel	....	1⅛	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅜	.	...	Do. 2nd pref.	....	2¾	..	..	..
8	4¼	.	...	Bruck S. Mills	185	8	7	4½	7
26	16⅞	2	9.5	Building Prod.	240	21	21¼	20	21
44½	29½	3	9.1	Burt, F. N.	70	35	35	31¾	31¾
146	137	6	4.4	Calgary Pr.	....	137	..	..	..
7⅛	3½	.	...	Can. Bread	100	4	4	4	4
100	87	7	7.4	Do. pref. (A)	5	95	95	95	95
80	55	7	...	Do. pref. (B)	5	64	63	63	63
13½	8¾	1	9.1	Canada Bud.	990	11½	11½	10	10
18⅞	5	.	...	Can. Cement	5547	6½	6⅞	5	5
96½	63	6.50	9.9	Do. pref.	911	79	70	63	65½
b45	21	3	12.8	Canada Dry	11600	23⅞	25½	21	21½
12	10	1.50	15	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.5	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
650	630	20	3.1	Canada Life	....	630	..	..	..
16½	10¾	1.50	12.5	Can. Malting	975	13½	13	11⅞	12
25½	15	80c	4.1	Can. Nor. Pr.	80	21	21½	19½	19½
107	104	7	6.6	Do. pref.	460	106½	106½	106	106
6	¼	.	...	Can. Paving	....	½	..	..	..
51	10⅞	.	...	Do. pref.	30	10½	10½	10½	10½
216	190	12	6.2	Can. Perman.	98	200	196	190	190
4.50	.50	.	...	Can. Pr. & Pa.	....	.50	..	..	..
9	3	.	...	Can. Steamsh's	120	3	3	3	3
27	8	.	...	Do. pref.	5	9½	8	8	8
20	14½	1.60	9.7	Can. Vinegar	70	16	16½	15½	16
70	54½	4	6.5	Can. W. Cable	290	61	61	61	61
30½	20	1.75	8.3	Do. (B)	1084	21	21	20¾	21
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	31	4	12.9	Do. pref.	20	35	31	31	31
232	196	12+1	6.6	Ban. Bk. Com.	669	201	201	196	196
36½	19	2.50	13.1	Can. Bronze	83	20	19	19	19
110	102	7	6.9	Do. pref.	10	108	102	102	102
13½	8	50c	5.9	Can. Canners	....	8½	..	..	..
92½	81	6	7.4	Do. 1st pref.	42	82	81	81	81
14	8⅜	80c	8	Do. 2nd pref.	600	10⅜	10⅜	9½	9¾
19	4⅞	1.75	26.9	Can. Car & F'y	5500	8½	8⅜	4⅞	6½
25½	14¾	1.75	11	Do. pref.	1896	16½	17	14¾	14¾
14½	6	.	...	Can. Celanese	25	6½	7	6	6
73½	59	7	10.8	Do. pref.	145	71	68¾	65	65
58	30	4	13.3	Can. Convert.	65	30	30	30	30
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	49	6	12.2	Do. pref.	....	49	..	..	..
36½	23¾	3	11.5	Can. Dredge	350	26	26	25	26
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅜	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5¾	.	...	Can. For. Inv.	....	5¾	..	..	..
80	70	8	11.4	Do. pref.	105	80	77	70	70
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	59	3.50	5.9	Do. pref.	193	62¾	61	59	59
80	52	6	9.1	Can. Hyd. E. p.	176	67½	66½	66	66
5½	1½	.	...	Can. Ind. Alc.	490	2	2	1⅞	1⅞
3½	¾	.	...	Do. (B)	....	1½	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.	5	64½	65	65	65
42	15	1	4	Can. Lt. & Pr.	....	25	..	..	..
18	18	.	...	Can. Locomo.	....	18	..	..	..
25	10	.	...	Do. pref.	....	10	..	..	..
b4½	1½	.	...	Can. Marconi	13000	2	2	1½	1⅝
23½	9	1	10	Canadian Oil	50	11½	11	10	10
120	95½	8	8.4	Do. pref.	10	96	95¼	95¼	95¼
45¼	16½	1.25	..	Can. Pacific	8257	17	17½	16½	16¾
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2⅞	.	...	Can. Vickers	15	3½	3	3	3
35	16	.	...	Do. pref.	....	20	..	..	..
6	2½	50c	15.4	Can. Wineries	214	3½	3½	3	3¼
16	6	1	12.1	Can. Wire Box	305	8½	8½	8	8¼
3	⅜	.	...	Carling Brew.	....	⅞	..	..	..
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+3	5	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	.	...	Chem. Research	13355	2.35	2.56	2.25	2.25
64	57	2	...	City Dairy	....	..	..	..	..
x155	120	7	...	Do. pref.	....	..	..	..	..
20.25	8.75	30c(c)	..	Cities Service	390	10.10	9.25	8.75	8.75
10	3	.	...	Cockshutt Plow	946	5	4½	3	3½
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	4	.	...	Conduits	....	4	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	7½	1	11.8	Cons. Bakeries	279	8½	9¾	8½	8½
3	½	.	...	Cons. Food Pr.	....	¾	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅞	9	80+20c	10.5	Cons. Indust.	430	12	10¾	9	9½
31	23	2	8.3	Cons. Press	....	23	..	..	..
80	62	7	10	Cons. Sand. pf.	....	70	..	..	..
188½	64	2.50†	3.8	Cons. Smelters	4675	76	76½	64	65½
187	180¾	10	5.5	Consumers Gas	131	183¾	182	181	181½
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
2⅞	1	.	...	Cosgrave Br.	350	2½	2⅞	2½	2½
9	5	.	...	Cosmos Imp.	125	7	7	6¾	7
93	65	7	10.3	Do. pref.	26	70	68	65	68
6½	2	.	...	Crown Dom. Oil	55	3	3	3	3
15	8½	3	...	Crow's N. Coal	....	10⅛	..	..	..
5	3	.	...	David & Fre. B	20	3	3	3	3
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	9	.	...	Disher Steel	....	9	..	..	..
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12⅞	6⅞	1	13.8	Distill-Seagram	3878	8⅝	8½	6⅞	7
223	204	12+1	6.4	Dominion Bk.	13	207	207	204	204
55¾	27	3	11.1	Dom. Bridge	4979	30	30	27	27
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	885	20	20	18	18
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	7	8.5	Dom. Glass	120	90	88	82	82
125	119	7	5.8	Do. pref.	....	120	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
11¾	3½	40c	10	Dom. Motors	105	4	4	3½	4
14	10	.	...	Dom. Pr. Stubs.	325	12½	13	12½	13
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	2	.	...	Dom. St. & C B	1076	2¼	2¼	2	2
24¼	13¾	1.20	6	Dom. Stores	1382	20¾	20⅞	19⅞	19⅞
14	5	.	...	Dom. Tar & Ch.	101	6½	6¼	5¾	6¼
98	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
83	63	5	7.8	Dom. Textile	1810	68	67	63¼	63¼
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	2½	.	...	Dryden Paper	191	3	3	3	3
7½	3	.	...	Duff. Paving	202	6	6	6	6
80	68	7	10.3	Do. pref.	....	68	..	..	..
25½	16	1	5	East. Dairies	255	22	22	20	20
20	16	1+1	...	East. Steel	....	16	..	..	..
100	97	7	7.2	Do. pref.	....	97	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94⅝	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
37	34¾	2.50	6.7	Economic Inv.	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	78⅜	6.50	8.3	Do. pref.	10	80	78⅜	78⅜	78⅜
8	5	.	...	Enam. & Heat.	85	5	5	5	5
40	28½	3	10.5	Eng. Electric	....	28½	..	..	..
16	5	.	...	Do. (B)	....	5	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	9¾	1	9.1	Fanny Farmer	105	10½	11½	11	11
34	28	2.40	7.3	Do. pref.	....	32½	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29¼	14½	1.20	7.5	Ford Motors A	2653	16½	16⅜	15½	15½
15	5	.	...	For. Pr. Secs.	130	6	6	5	5
16½	8¼	1	11.1	Foundation Co.	118	8½	10	9	9
3	½	.	...	Fraser Cos.	365	1⅛	1⅛	1⅛	1⅛
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost Steel	....	7	..	..	..
96½	85	7	7.9	Do. pref.	....	88	..	..	..
7¼	1⅜	.	...	Gen. St. Wares	525	2⅜	2⅜	1⅜	1⅜
119	70	5+2.50	8.8	Goodyear Tire	45	98	95	85	85
107⅞	94¼	7	7	Do. pref.	53	101¾	100	99½	99½
93¼	93¼	7	7.5	Gould Pumps, p	....	93¼	..	..	..
¾	½	.	...	Gt. W. Saddlery	....	½	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	9.5	Gurd, Chas.	500	23¼	23¼	21	21
12⅞	5	40c	7.3	Gypsum, Lime	1050	5½	6	5	5
20½	6¾	.	...	Ham. Bridge	1510	7	7	6¾	7
80	63	6.50	10	Do. pref.	....	65	..	..	..
19	13	2	15.4	Ham. Cotton, p	....	13	..	..	..
4½	3	.	...	Ham. U. Theat	....	3	..	..	..
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	4	.	...	Hayes Wheel	96	6	4	4	4
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Hinde & Dauch	....	3½	..	..	..
x120	120	.	...	Holt, Renfrew	....	..	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	3	.	...	Honey Dew	....	3	..	..	..
59	50	7	13.5	Do. pref.	5	55	52	51⅞	51⅞
6	3	.	...	H. Smith Pap.	341	4	4	3	3
45½	30	.	...	Do. pref.	25	35	32	32	32
21½	15	2	9.5	Humberstone S.	35	21½	21	21	21
23½	17	1.40+50	10.5	Hunt (A)	10	18½	18	18	18
23¼	18½	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M.	....	145	..	..	..
29½	28	.	...	Do. 20% pd.	....	28	..	..	..
29⅜	13⅞	1.20	8.6	Hydro Electric	....	14	..	..	..
225	201	12+1	6.4	Imperial Bank	125	205	205	203	203
18⅜	8⅞	50+50c	8.7	Imperial Oil	13006	12	12½	11	11
10½	8⅜	35+20c	6.1	Imperial Tob.	2923	9⅛	9⅛	8⅞	8⅞
80	80	8	...	Intercol. Coal p	6	..	80	80	80
29	22	2a	...	Int. Hyd. E.(A)	....	22	..	..	..
103	92	7	7.5	Inter. Mill. pf.	10	92	93	93	93
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	9	40c	4.3	Inter. Nickel	69774	11	11	9	9¼
10	5	.	...	Inter. Paints	....	5	..	..	..
b10½	3	.	...	Int. Pa. & P A	500	3¾	3⅛	3	3
b6	2½	.	...	Do. (B)	....	2¾	..	..	..
b4½	1⅜	.	...	Do. (C)	2300	2	2	1⅛	1⅛
b43½	18⅜	.	...	Do. pref.	100	18½	18⅜	18⅜	18⅜
15½	8¾	1	10	Inter. Pete.	6259	11½	11	9⅞	10
8	5	.	...	Inter. Power	5	5	5	5	5
73	56½	7	12.4	Do. pref.	45	58	57	56½	56½
45	25½	3.50	12.9	Int. Util. (A)	669	30½	30½	25½	27
11	3¾	.	...	Do. (B)	1002	6	5½	3½	4½
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	99¾	7	7	Do. pref.	5	103	99¾	99¾	99¾
5½	2½	.	...	Kelvinator	15	5	5	5	5
90⅛	73¼	7	7.8	Do. pref.	200	90	90	90	90
x40	40	.	...	King Ed. Hotel	....	..	..	..	..
24	5	.	...	Lake of Woods	50	5	5	5	5
101	82	7	8.5	Do. pref.	....	82	..	..	..
140	140	8	5.7	Landed Bank.	....	140	..	..	..
46	33	3	7.9	Laura Secord	35	38	40	38	38
16	8¾	1	11.1	Lindsay, C. W.	40	9	9	8¾	8¾
72½	65	6.50	9.7	Do. pref.	....	67	..	..	..
14¾	11	80c	6.7	Loblaw (A)	1367	12¼	12½	11½	12¼
14¾	10	80c	7.4	Do. (B)	1313	11½	11⅜	10½	10½
x2¾	2¾	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	90	7	7.7	Do. pref.	....	91	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
8	6	.	...	Maple Leaf	....	6	..	..	..
40	10	.	...	Do. pref.	25	15	10	10	10
32	30	.	...	Marcus Loew's	....	30	..	..	..
71	70	7	9.8	Do. pref.	....	70	..	..	..
10½	3	.	...	Massey-Harris	2260	3½	3¾	3	3½
22½	9⅞	60c	6	McColl Fron.	5771	12	12	9⅞	9⅞
80	69¾	6	7.9	Do. pref.	10	75½	76	76	76
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do. pref.	....	..	..	..	..
40½	40	1	2.5	Mitchell, J. S.	50	40	40	40	40
105	104	7	6.7	Do. pref.	8	105	105	105	105
20	8	1	12.5	Mitchell, Robt.	110	13	10	8	8
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do.	....	38	..	..	..
95½	83½	6	6.5	Montreal Cot.	295	92	92	92	92
102	98	7	7	Do. pref.	....	100	..	..	..
3½	2	.	...	Montreal Exhib.	....	2¾	..	..	..
20	14	.	...	Mont. Is. Pr.	25	14½	14	14	14
68½	38	1.50	3.9	Mont. L. & Pr.	47395	40¾	41	38	38
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	48	3.20	6.3	Montreal Tele.	10	51	51	51	51
177	155	10	6.4	Mont. Trams.	249	158	158	155	155
17¾	11½	1	8.3	Moore Corp. c.	127	12¾	12¾	12	12
108½	98	7	7	Do. (A)	....	100	..	..	..
126	103	7	6.8	Do. (B)	5	108	103	103	103
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
8¼	2	30c	15	Muirheads	85	2	2	2	2
10	6	75c	7.9	Do. pref.	10	9½	9½	9½	9½
35¾	23½	1.60	6.7	Nat. Brew.	9396	25	24¾	23½	24
35	27	1.75	5.6	Do. pref.	30	33	31	31	31
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	11½	2	16.1	Nat. Steel Car.	2050	13½	13½	11½	13
360	250	14	5.6	National Trust	30	255	252	250	252
13	10⅜	1.50	14.1	Niag. W. Weav.	....	10⅜	..	..	..
36	32	3	9.4	Do. pref.	....	32	..	..	..
6.00	2.00	.	...	North Star Oil	....	2.50	..	..	..
4.95	4.50	35c	7.4	Do. pref.	....	4.70	..	..	..
x25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	5.9	Ogilvie Flour	27	170	150	135	135
130	116½	7	5.9	Do. pref.	....	118	..	..	..
21	9¼	60c	6.3	Ont. Eq. 10% p	127	12½	12	9½	9½
120	113	6	5.1	Ontario Loan	10	120	117	117	117
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1¼	¾	.	...	Orange Crush	....	¾	..	..	..
60	50	7	13.7	Do. (A)	....	51	..	..	..
5½	2½	.	...	Do. (B)	80	3	3	3	3
110	90	6	5.7	Ott. L. H. & Pr	....	105	..	..	..
105½	102	6.50	6.3	Do. pref.	7	105½	103¼	103	103¼
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅛	68	5	6.9	Page Hersey	1428	77	75½	69½	69½
49	21½	2.50	11.6	Paramount	....	21½	..	..	..
35	30	.	...	Paton Mfg.	....	30	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
¼	¼	.	...	Pelissiers	100	⅛	¼	¼	¼
30	25	.	...	Do. pref.	....	30	..	..	..
73	31	4	12.5	Penmans	50	35	33	31	31
101	93	6	6.4	Do. pref.	....	93	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	18	2	8.7	Photo Eng.	55	24	23	22½	22½
40	10	.	...	Port Alfred, pf.	....	10	..	..	..
70	64	7	10	Porto Rico pf.	....	70	..	..	..
b39½	12	.	...	Postal Teleg.	....	..	..	..	..
63½	35⅛	2	5.4	Power Corp.	3684	40	39½	35⅞	36½
102	94	6	6.3	Do. pref.	30	95	94½	94	94½
4½	3	.	...	Prairie C. Oil.	....	3	..	..	..
16	8½	50c	5	Pressed Metals	575	9	10	9½	10
42¾	25	1	4	Price Bros.	26	27¼	25	25	25
99	70	6.50	9.3	Do. pref.	71	70	70	70	70
49	27	2.50	8.5	Quebec Power	3012	30	30½	27	29
110	105	7	6.7	Real Estate In.	....	105	..	..	..
3	1	.	...	Regent Knit.	75	1½	1½	1¼	1¼
10	5½	.	...	Reliance Grain	....	6½	..	..	..
16	9	2	18.2	River. S. Mills	175	12	12⅛	11	11
19½	10	1.50	10.7	Robinson Cone	....	14	..	..	..
16½	9	1.20	13.3	Rogers Majes.	150	10	9½	9	9
291	231	12+2	6	Royal Bank	393	232½	232	231	231
84	75	7	9.3	Ruddy, E. L. p.	....	75	..	..	..
77¾	60¾	4	6.6	Russell Motor	10	61¾	60¾	60¾	60¾
95	76½	7	9.1	Do. pref.	55	81¼	81¼	76½	76½
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36¾	7	.	...	Serv. Stn. Eq.	610	7½	7¾	7	7
90½	50	6	12	Do. pref.	25	55½	50	50	50
59½	32¾	2	6.1	Shawinigan	9659	36⅝	36	32¾	33
30	20	1.60	8	Sher.-Wms.	5	24	20	20	20
121	112	7	6.2	Do. pref.	....	112	..	..	..
22	14	2.50	16.1	Simon & Son	90	16	15½	15	15½
92	88½	7	7.7	Do. pref.	20	92	92	91	91
92⅝	71½	6.50	8.9	Simpsons Ltd.	63	73	73	71½	73
44½	36	2	5.5	Do. (A)	....	36	..	..	..
85½	24½	.	...	Do. (B)	....	29	..	..	..
108	103	6	5.8	Simpson, Robt.	15	106	106	104	104
4	½	.	...	St. Law. Corp.	1200	1	⅞	½	½
12	2½	.	...	Do. (A)	255	4½	4¼	4	4
20	16	.	...	St. Law. Flour	....	16	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30⅛	10	.	...	St. Law. Pap. p	1544	12	11¾	10½	10½
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22¾	1	4	So. Can. Pr.	50	28	27	25	25
106½	104	6	5.8	Do. pref.	104	106	106	104	104
16⅛	4	.	...	St. Pav. & Mat.	180	5	5	4	4
80	55	7	11.7	Do. pref.	....	60	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	5	1	...	Stand. Chem.	....	5	..	..	..
9⅛	8¾	.	...	Stand. Steel	45	4½	4	4	4
35	30	3	10	Do. pref.	....	30	..	..	..
42¼	21	1.75	8.3	Steel of Can.	3978	30	27⅛	21	21¾
37	28¾	1.75	6	Do. pref.	738	30	30	29	29¼
4½	2⅛	.	...	Sterling Coal	....	2⅛	..	..	..
32½	12¾	1	6.2	Sup. Pet. Ord.	246	17⅝	17	16	16
105	94	7	7.2	Do. pref.	5	100	96¾	96¾	96¾
31	14	1	5.9	Do. com.	....	17	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
106	101	7	6.6	Do. pref.	20	106	105¼	105¼	105¼
30	20	3.50	16.7	Thayers, pref.	5	25	21	21	21
13	6½	.	...	Tip Top Tailors	110	8	8¾	8½	8½
90	77	7	8.4	Do. pref.	11	84	83	83	83
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	48½	7	14.5	Do. pref.	....	48½	..	..	..
15	9½	.	...	Tor. Elevators	140	13	13½	13	13
235	210	12	5.5	Tor. Gen. Tr.	32	221	218	215	215
115	108	6	5.4	Toronto Mtge.	....	110	..	..	..
3	1	.	...	Traymore	50	1	1	1	1
12½	9	1.40	15.5	Do. pref.	10	9¾	9	9	9
130	120	7	5.5	Tuckett Tob. p	65	128	130	128	128
17½	6½	.	...	Twin City	....	8	..	..	..
b62	35⅛	7	...	Do. pref.	....	..	..	..	..
45	28	.	...	Do. (notes)	....	43	..	..	..
16	9⅜	1	10.1	Union N. Gas.	302	10¾	10	9⅞	9⅞
101½	98	7+1	8	Union Trust	....	100	..	..	..
8	3	.	...	United Fuel	....	3	..	..	..
65	24	4	11.4	Do. pref.	....	35	..	..	..
62½	49⅝	2	4	United Secs.	10	62½	50	50	50
24¼	8¼	.	...	Viau Biscuit	100	10	10	9½	9½
85	70	7	10	Do. pref.	5	75	70	70	70
30	10	.	...	Wabasso Cot.	50	20	10	10	10
8½	4	50c	11.8	Walker-Good.	15675	4⅝	4⅜	4	4
7¾	2	.	...	Waterloo Mfg.	300	2¼	2½	2	2
45	30	1	2.5	Weston Bisc.	150	40	40	40	40
90	79	7	8.9	Do. pref.	10	82	80	79	79
17½	7	.	...	West. Can. Fl.	75	8	7½	7	7
96	75	6.50	8.7	Do. pref.	....	75	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	17.5	Do. pref.	105	40	40	40	40
91	85	6.50	7.1	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	4	.	...	Winnipeg Elec.	1129	10	8	4	5½
81½	49	7	14.3	Do. pref.	7	50	52	49	49
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	7	8.7	Wood Alex, J.p.	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Plus stock bonus.

Winnipeg Stock Exchange

September 14

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber. c.	5	...
Do., pref.	89	100
Can. Amer. Tr. shs.	...	5⅛
Can. Fire Ins.	...	85
Can. Indemnity	120	...
Crescent Creamery	90	...
Gt. West Life	..	450
Home Investment	..	50
Monarch Life	...	32
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	½	...
Un. Gr. Growers	..	10
West Breweries	1½	2¾

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew-Surpass Shoe pfd.	$7	$1.75	Oct. 1	Sept. 15
Assoc. Telephone & Tel. "A"	...	$1+50c	Oct. 1	Sept. 16
Do.	...	$1+50c	Jan. 1/32	Dec. 17
Abitibi Power pref.	7%	1¾%	Oct. 1	Sept. 19
Associated Breweries	60c	15c	Sept. 30	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Amer. Comm. Power pref.	...	52c	Oct. 1	Sept. 12
Do., pref.	...	52c	Nov. 2	Oct. 12
Do., pref.	...	52c	Dec. 1	Nov. 12
Do., 1st pref. "A"	$7	$1.75	Nov. 2	Oct. 15
Do., 1st pref.	$6.50	$1.63	Nov. 2	Oct. 15
Do., 1st pref.	$6	$1.50	Nov. 2	Oct. 15
Do., 2nd pref. "A"	$7	$1.75	Nov. 2	Oct. 15
Do., com.	...	†1/40 sh.	Oct. 26	Sept. 30
Brantford Cordage, pfd.	$8	$2	Oct. 15	Sept. 20
Building Products "A" & "B"	$2	50c	Oct. 1	Sept. 15
Bell Telephone	8%	2%	Oct. 15	Sept. 23
Brandram Henderson pfd.	7%	$1.75	Oct. 1	Sept. 1
B. C. Power "A"	$2	50c.	Oct. 15	Sept. 30
Brit. American Oil	80c	20c	Oct. 1	Sept. 14
Bank of Nova Scotia	16%	4%	Oct. 1	Sept. 15
Brazilian Traction, pref.	6%	1½%	Oct. 1	Sept. 15
Burt, F. N.	$3	75c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Canada Bread pref. "A"	7%	1¾%	Oct. 1	Sept. 19
Canada Dry c.	$3	75c	Oct. 15	Oct. 1
Can. Industries	...	62½c+25c	Oct. 31	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Calgary Power, c.	$6	$1.50	Oct. 1	Sept. 15
Canada Bud Brew.	$1	25c	Oct. 15	Sept. 30
Canada Packers pref.	7%	1¾%	Oct. 1	Sept. 15
Can. Canners	50c	12½c	Oct. 1	Sept. 15
Do., conv. pref.	80c	20c	Oct. 1	Sept. 15
Do., 1st. pref.	6%	1½%	Oct. 1	Sept. 15
Canadian Oil pref.	8%	2%	Oct. 1	Sept. 19
Can. Wire & Cable "A"	$4	$1	Dec. 15	Nov. 30
Canadian Car, pref.	$1.75	43c	Oct. 10	Sept. 25
Can. Celanese, pref.	7%	1¾%	Sept. 30	Sept. 15
Can. Gen. Electric, com.	$4	$1	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Can. Northern Power, com.	80c	20c	Oct. 26	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Can. Pacific Railway		1¼%	Oct. 1	Sept. 1
Do., pref.	4%	2%	Oct. 1	Sept. 1
Canada Cement, pref.	6½%	1⅝%	Sept. 30	Aug. 31
Canada Permanent Mtge.	12%	3%	Oct. 1	Sept. 15
Central Canada Loan	12%	3%	Oct. 1	Sept. 15
Can. Wirebound Box "A"	$1	25c	Oct. 1	Sept. 15
Chartered Trust	6%	1½%	Oct. 1	Sept. 25*
Canadian Cottons pfd.	6%	1½%	Oct. 5	Sept. 19
Conduits pref.	7%	1¾%	Oct. 1	Sept. 16
Consolidated Bakeries	$1	25c	Oct. 1	Sept. 18
Crown Trust	7%	1¾%	Oct. 1	Sept. 30
Consumers Gas	10%	2½%	Oct. 1	Sept. 15
Can. Westinghouse	$2	50c	Oct. 1	Sept. 21
Cities Service	...	2½c+½%‡	Oct. 1	Sept. 15
Dominion Rubber pref.	7%	1¾%	Sept. 30	Sept. 24
Dairy Corp. of Canada pfd.	6%	1½%	Oct. 1	Sept. 15
Dominion Glass	7%	1¾%	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Dominion Textile	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Dominion Motors	40c	20c	Oct. 5	Sept. 18
Dominion Bank	12+1%	3%	Oct. 1	Sept. 19
Dominion Stores	$1.20	30c	Oct. 1	Sept. 15
Dominion Tar, pref.	6½%	1⅝%	Nov. 1	Oct. 15
Dufferin Paving, 1st pref.	7%	$1.75	Oct. 1	Sept. 18
Eastern Steel Prod. pfd.	$7	$1.75	Oct. 1	Sept. 15
Edmonton City Dairy pfd.	6½%	1⅝%	Oct. 1	Sept. 15
Economic Inv. Trust	$1.75	87½c	Oct. 1	Sept. 21
Eastern Trust	8%	2%	Oct. 1	Sept. 19
Eastern Can. Savings	$8	$2	Oct. 1	Sept. 19
Fanny Farmer	$1	25c	Oct. 1	Sept. 15
Do., pref.	$2.40	60c	Oct. 1	Sept. 15
Freiman, A. J. pfd.	6%	1½%	Oct. 1	Sept. 15
Famous Players	$2	50c	Sept. 26	Sept. 4
Ford Hotel, com.	...	50c	Oct. 31	....
Goodyear Tire, com.	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Gt. Brit. & Canada Inv. pref.	5%	2½%	Oct. 1	Sept. 19
Gould Pumps	4%	1%	Oct. 1	Sept. 19
Do., pref.	7%	1¾%	Oct. 1	Sept. 19
Gurd, Chas.	$2	50c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Goderich Elevator	$1.40	35c	Oct. 1	Sept. 15
Granby Cons Mining	$1	25c	Nov. 2	Oct. 16
Great West Life	$30	$7.50	Oct. 1	Sept. 19
Greening, B. Wire pfd.	7%	1¾%	Oct. 1	Sept. 15
Gypsum, Lime	40c	10c	Oct. 5	Sept. 28
Hamilton Bridge. pfd.	$6.50	$1.62½c	Nov. 1	Oct. 15
Hollinger Mines	...	1%	Oct. 7	Sept. 23
Holt Renfrew pref.	7%	1¾%	Oct. 1	Sept. 25
Howe Sound	$2	50c	Oct. 15	Sept. 30
Hunts, "A" & "B"	$1.40	35c	Oct. 1	Sept. 17
Hydro-Electric Secs.	$1.20	30c	Sept. 28	Sept. 14
Hamilton Cotton pref.	$2	50c	Oct. 1	Sept. 15
Hamilton Un. Theatres pfd.	7%	1¾%	Sept. 30	Aug. 31
Honey Dew, pref.	7%	1¾%	Oct. 1	Sept. 15
Huron & Erie Mtge.	8%	2%	Oct. 1	Sept. 15
Imperial Tobacco, ord.	7%	1¾%	Sept. 30	Sept. 2
Do., pref.	6%	3%	Sept. 30	Sept. 2
Inter. Hydro-Electric, pfd.	$3.50	87½c	Oct. 15	Sept. 25
Do., Class "A"	...	1/50 sh.*	Oct. 15	Sept. 25
Inter. Nickel, com.	40c	10c	Sept. 30	Aug. 31
Do., pref.	7%	1¾%	Nov. 2	Oct. 3
International Power pfd.	7%	1¾%	Oct. 1	Sept. 15
Investment Foundation, pref.	$3	37c	Oct. 15	Sept. 30
Jamaica Public Service c.	$1	25c	Oct. 1	Sept. 15
Jamaica Public Service pfd.	7%	$1.75	Oct. 1	Sept. 15
Landed Bkg. & Loan	8%	2%	Oct. 1	Sept. 15
Loew's London pref.	7%	3½%	Oct. 1	Sept. 22
MacKinnon Steel pfd.	7%	1¾%	Nov. 2	Oct. 15
Mitchell, Robt.	$1	25c	Oct. 15	Sept. 30
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Montreal Telegraph	8%	2%	Oct. 15	Sept. 30
McColl Frontenac pref.	$6	$1.50	Oct. 15	Sept. 30
Mackay Cos., pref.	$4	$1	Oct. 1	Sept. 18
Mitchell, J. S., pref.	7%	1¾%	Oct. 1	Sept. 15
Maritime Telt. & Tel. c	80c	20c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Midland & Pacific Grain	...	25c	Oct. 1	Sept. 24
Do., pref.	$7	$1.75	Oct. 1	Sept. 24
Monarch Mortgage, pfd.	8%	2%	Oct. 15	Sept. 30
Montreal C. & D. Bank	12%	3%	Oct. 1	Sept. 15
Moore Corp.	$1	25c	Oct. 1	Sept. 23
Do., classes "A" & "B" pref.	$7	$1.75	Oct. 1	Sept. 23
Montreal Tramways	10%	$2.50	Oct. 15	Oct. 7
Niagara Wire Weav.	$1.50	37½c	Oct. 1	Sept. 17
Do., pref.	$3	75c	Oct. 1	Sept. 17
North Star Oil pfd.	7%	1¾%	Oct. 1	Sept. 15
National Trust	14%	3½%	Oct. 1	Sept. 19
National Breweries	$1.60	40c	Oct. 1	Sept. 15
Do., pref.	$1.75	44c	Oct. 1	Sept. 15
Nova Scotia L. & Pr. com.	$4	$1	Oct. 1	Sept. 19
Northern Ont. Pwr. pfd.	6%	1½%	Oct. 26	Sept. 30
Do., com.	$2	50c	Oct. 26	Sept. 30
National Grocers 2nd pfd.	7%	1¾%	Oct. 1	Sept. 18
National Steel Car	$2	50c.	Oct. 1	Sept. 17
Ogilvie Flour Mills, c.	$8	$2	Oct. 1	Sept. 22
Ontario Tobacco Plant pfd.	...	1%	Oct. 1	....
Ontario Loan & Deb.	12%	3%	Oct. 1	Sept. 15
Ottawa L. H. & Pr.	6%	1½%	Sept. 30	Sept. 15
Do., pref.	6½%	1⅝%	Oct. 1	Sept. 15
Orange Crush pref. "A"	7%	1¾%	Oct. 1	Sept. 16
Provincial Paper pfd.	7%	1¾%	Oct. 1	Sept. 15
Pressed Metals	50c	12½c	Oct. 1	Sept. 15
Page-Hersey Tubes	$5	$1.25	Oct. 1	Sept. 19
Do., pref.	7%	1¾%	Oct. 1	Sept. 19
Pioneer Gold Mines, B.C.	12c	3c	Oct. 1	Sept. 15
Premier Gold Mines	12c	3c	Oct. 5	Sept. 15
Power Corp., pref.	6%	1½%	Oct. 15	Sept. 30
Do., non-cum. pref.	6%	75c	Oct. 15	Sept. 30
Price Bros., c.	1%	¼%	Oct. 1	Sept. 15
Do., pref.	6½%	1⅝%	Oct. 1	Sept. 15
Porto Rico Pr. pref.	7%	1¾%	Oct. 1	Sept. 15
Quebec Power	$2.50	62½c	Oct. 15	Sept. 25
Riverside Silk Mills "A"	$2	50c	Oct. 1	Sept. 12
Robinson Cons. Cone	$1.50	37½c	Oct. 1	Sept. 15
Southern Can. Pr. pref.	6%	1½%	Oct. 15	Sept. 19
Standard Steel pref. "A"	$3	75c	Oct. 1	Sept. 15
Supertest Petroleum pfd. "A"	7%	1¾%	Oct. 1	Sept. 15
Do., pref. "B"	6%	1½%	Oct. 1	Sept. 15
Do., com. & ord.	$1	25c	Oct. 1	Sept. 15
Sun Life Assur.	25%	6¼%	Oct. 1	Sept. 15
Sherwin Williams pfd.	7%	1¾%	Sept. 30	Sept. 15
Do., com.	$1.60	40c	Sept. 30	Sept. 15
Shawinigan W. & Pr.	$2	50c	Oct. 10	Sept. 24
Service Station pfd. "A"	$6	$1.50	Nov. 1	Oct. 15
Do., pref.	$6	$1.50	Nov. 1	Oct. 15
Thayers, 1st pref.	$3.50	87½c	Oct. 1	Sept. 22
Thrift Stores 1st pfd.	6½%	1⅝%	Oct. 1	Sept. 21
Do., 2nd pref.	7%	1¾%	Oct. 1	Sept. 21
Tamblyn, pref.	7%	1¾%	Oct. 1	Sept. 19
Toronto General Trusts	12%	3%	Oct. 1	Sept. 16
Tip Top Tailors pfd.	7%	1¾%	Oct. 1	Sept. 15
Toronto Mortgage	12%	3%	Oct. 1	Sept. 15
Tuckett Tobacco, pref.	7%	1¾%	Oct. 15	Sept. 30
Twin City Rapid, pfd.	7%	$1.75	Oct. 1	Sept. 12
Union Trust	7%	1¾%	Oct. 1	Sept. 19
United Fuel, pref.	4%	1%	Oct. 1	Sept. 15
United Bond & Share pfd.	6%	75c	Sept. 30	Sept. 15
Viau Biscuit, 1st pfd.	7%	1¾%	Oct. 1	Sept. 23
Western Grocers pfd.	7%	1¾%	Oct. 15	Sept. 20
West Kootenay Power pfd.	7%	1¾%	Oct. 1	Sept. 22
Winnipeg Electric, pref.	7%	1¾%	Oct. 1	Sept. 5
Wright Hargreaves	10c	2½c	Oct. 1	Sept. 14
Weston, Geo., com.	$1	25c	Oct. 1	Sept. 19

Dividends Passed or Deferred:

Canada Bread—Action on "B" pref. deferred for one month.

Service Stations, Class "A" & "B" Oct. 1 div. passed. Last paid 40c July 2, 1931.

Ogilvie Flour, com. omits bonus. Last bonus paid $5 Oct. 1, 1930.

Dividend Rate Reduced:

Associated Breweries, com. Sept. 30, reduced from 25c to 15c quarterly.

Economic Investment Trust, Oct. 1, interim dividend 87½c for half year, reduced from $2.50 to $1.75 per annum.

Gypsum, Lime & Alabastine, Oct. 5, reduced from 20c to 10c quarterly.

Hydro-Electric Securities, com. Sept. 28 reduced from 35c to 30c quarterly.

Price Bros. com., Oct. 1, reduced from 50c to 25c quarterly.

Shawinigan Water & Pr., Oct. 10, reduced from 62½c to 50c quarterly.

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	101.	103.	4.35
Dominion of Canada 5½/34	101.	103.	4.41
Dominion of Canada 5/43	102.	104.	4.55
Dominion of Canada 4½/46	97.	99.	4.52
Dominion of Canada 4½/56	98.	100.	4.47
Dominion of Canada 4½/58	99.50	101.50	4.47
C. N. R. (Dom. of Can. Guar.) 5/54	101.	103.	4.70
C.N.R. (Dom. of Can. Guar.) 4½/51	95.50	98.50	4¾
C. N. R. (Dom. of Can. Guar.) 4¾/55	100.	101.	4.65
C. N. R. (Dom. of Can. Guar.) 4½/56	96.50	98.50	4¾
C. N. R. (Dom. of Can. Guar.) 5/69	101.	103.	4.85
Province of Ontario 4½/44	97.	99.	4.60
Province of Ontario 5/48	101.	103.	4.73
Province of Ontario (Hydro) 4¾/70	101.	103.	4.55
Province of Quebec 4½/56	98.	100.	4.56
Abitibi Power & Paper 5/53	50.	55.	9.75
Argentine Gov't. (Ser. B) 6/58	59.	61.	...
Beauharnois Power 6/59	65.	70.	9.09
Bell Telephone Co. of Canada 1st, 5/57	104.	106.	4.60
Brazil, U. S. of, Ext. S. F. 6½/57	36.	37.25	...
British Columbia Power 5/60	95.	97.	5.10
British Columbia Power 5½/60	101.75	102.75	5.32
British Columbia Telephone 5/60	100.	105.	4.85
Calgary Power 5/60	90.	95.	5.40
Canada Brewing 5/42	100.	102.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	90.	95.	6.08
Canada Gypsum Lime & Alabastine 5½/48	78.	82.	7.35
Canada Northern Power Corp. 5/53	88.	93.	5.55
Canada Steamship Lines 1st & Gen. 6/41	37.	43.	...
C. P. R. Collateral Trust 5/54	95.	100.	5.00
C. P. R. Secured 4½/44 Notes	92.	95.	4.97
Chile Republic Ext. S. F. 6/60	22.50	26.	...
Colombia Republic Ext. S. F. 6/61	38.	40.	...
Davies, Wm. 6/42	92.	95.	6.64
Dominion Canners 6/40	100.	103.	5.22
Dominion Square Corporation 6/48	65.	75.	8%
Dominion Tar & Chemical 6/49	85.	90.	6.95
Dominion Textile 6/49	106.	108.	5.30
Duke Price Power 1st, 6/66	97.	100.	6.00
Eastern Dairies, Ltd., Conv. 6/49	98.	100.50	5.95
Eaton, T. Realty, 5/49	92.	94.	5.58
Famous Players 6/48	83.	88.	7.20
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	77.	85.	7.55
Fraser Companies 6/50	30.	40.	...
Gatineau Power, 1st Mtge. 5/56	78.	82.	6.45
Gatineau Power, S. F. Debs., 6/41	75.	80.	9.00
General Steel Wares 6/52	50.	55.	...
Howard Smith Paper Mills 5½/53	60.	65.	9.00
Harris Abattoir 6/47	98.	101.	5.90
Manitoba Power, 1st S. F. 5½/51	72.	76.	7.90
Maple Leaf Milling 5½/49	75.	80.	7.55
Massey-Harris, 1st Mtge. 5/47	60.	65.	7.50
MacLaren Quebec Power 5½/61	88.	93.	6.00
Montreal Coke, 1st S. F. 5½/47	101.	103.	5.23
Montreal Island Power 5½/57	98.	101.	5.45
Montreal Light, Heat & Power 5/51	102.	104.	4.70
Montreal Tramways 1st, Coll. Trust 6/41	100.	102.	4.75
Montreal Tramways Gen. Ref. 4½/55	83.	86.	5.55
Montreal Tramways 5/55	87.	90.	4.75
Moodie, J. R. 6/48	95.	100.	6.00
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	67.	72.	8%
Ottawa Valley Power 5½/70	97.	99.50	5.53
Power Corporation of Canada 4½/59	83.	87.	5.40
Price Bros. 1st S. F. Ser. "A" 6/43	80.	88.	7.32
Quebec Power 1st, Mtge. Coll. S. F. 5/68	100.25	102.25	4.87
Shawinigan Water & Power 4½/70	90.	93.	4.90
Shawinigan Water & Power 5/70	101.	103.	4.83
Simpsons 6/49	90.	95.	5.70
Southern Canada Power 1st, 5/55	102.	103.50	4.75
United Securities Coll. Trust 5½/52	97.	99.	5.52
West Kootenay Power 5/56	98.	100.	5.00
Windsor Hotel 6½/43	102.	103.50	6.05
Windsor Hotel 6/47	93.	96.	6.40
Winnipeg Electric 5/35	99.	100.	5.00
Winnipeg Electric 6/54	76.	82.	6.30

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited, Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 Oct.	88.50	5.29
Alberta	5	1 July, 1943	1 Jan.	96.50	5.40
Alberta	6	1 Apr., 1936	1 Oct.	102.00	5.49
British Columbia	4½	1 Oct., 1953	1 Oct.	93.50	4.99
British Columbia	5	15 Jan., 1948	15 Jan.	100.00	5.00
British Columbia	6	15 Aug., 1941	15 Feb.	105.38	5.30
Manitoba	4	1 July, 1947	1 Jan.	89.08	5.00
Manitoba	5	2 June, 1959	2 Dec.	100.00	5.00
Manitoba	5	15 June, 1943	15 Dec.	100.00	5.00
New Brunswick	4½	1 June, 1948	1 Dec.	95.42	4.90
New Brunswick	4¾	15 June, 1936	15 Dec.	98.50	5.10
New Brunswick	6	1 Jan., 1936	1 Jan.	103.99	5.00
Nova Scotia	4½	15 Nov., 1948	15 Nov.	97.50	4.44
Nova Scotia	5	1 May, 1943	1 Nov.	100.00	5.00
Nova Scotia	6	1 Nov., 1936	1 Nov.	104.38	5.00
Ontario	4½	1 Sep., 1944	1 Mar.	98.50	4.65
Ontario	5	15 Oct., 1948	15 Oct.	102.50	4.77
Ontario	6	2 May, 1936	2 Nov.	105.50	4.63
P. E. I.	4	1 Apr., 1939	1 Oct.	93.31	5.09
P. E. I.	4½	1 Oct., 1944	1 Oct.	94.76	5.05
Quebec	4½	1 May, 1961	1 Nov.	97.50	4.40
Saskatchewan	4½	1 Oct., 1944	1 Oct.	90.80	5.50
Saskatchewan	5	1 Oct., 1950	1 Oct.	96.50	5.29
Saskatchewan	6	1 Feb., 1936	1 Feb.	101.00	5.75
Cities					
Montreal	5	1 Sep., 1963	1 Mar.	102.50	4.85
Toronto	4½	1 Sep., 1954	1 Mar.	98.00	4.64
Vancouver	4	1 Aug., 1946	1 Feb.	88.53	5.10
Winnipeg	5	1 Mar., 1944	1 Mar.	100.00	5.00
Edmonton	5½	1 May, 1945	1 Oct.	100.00	5.50
Calgary	5	1 Jan., 1943	1 Jan.	93.00	5.82
Halifax	6	1 July, 1951	1 Jan.	110.55	5.15
Saint John	5	15 Dec., 1950	15 Dec.	99.00	5.05
Regina	4½	1 July, 1950	1 Jan.	90.05	5.34
Victoria	5	21 July, 1945	21 Jan.	98.50	5.15
Quebec	5	1 June, 1948	1 Dec.	102.00	4.83

Foreign Exchange

	New York Funds High	Low	Last Year High	Low
	(Premium)		(Discount)	
September 16	1 1-32	†5-16	1-8	5-32
September 17	1 1-8	1%	1-8	1-8
September 18	1 3-4	1 1-8	1-8	9-64
September 19	2 1-4	1 3-4	1-8	1-8
September 21	*3% bid	†8% bid	7-64	1-8
September 22	*8% bid	†7% bid	7-64	7-64

*Opened.
†Closed

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
September 16	4.85 5-8	3.91 15-16	5.23
September 17	4.85 9-16	3.91 15-16	5.22 13-16
September 18	4.85 7-16	3.91 27-32	5.22 7-8
September 19	4.84 1-2	3.91 7-8	5.22 7-8
September 21	4.19	3.91 7-8	5.09
September 22	4.19	3.03 3-4	5.11

FOREIGN EXCHANGE

Par		Sept. 8	Sept. 15	Sept. 22
5.26	Italian	5.25½	5.28	5.92
23.80	German	....	23.77½	25.36
13.90	Belgian	13.98½	14.02½	14.83
49.80	Japanese	49.65	48.85	....

Winnipeg Grain Prices

Week to September 22

Crop Year from Aug. 14 High	Low		Open Sept. 16	High for week	Low for week	Close Sept. 22
		Wheat				
.70¾	.51	Oct.	.52½	.55¾	.51	.55¼
.67¼	.51¼	Dec.	.58	.56½	.51½	.55
.61	.55½	May	.56⅞	.59¾	.55½	.59¼
		Oats				
.32	.26¼	Oct.	.27¾	.28⅛	.27	.28
.33½	.25⅝	Dec.	.27⅝	.28½	.27	.28¼
.31⅞	.28	May	.30	.30½	.29½	.30
		Barley				
.36¾	.25½	Oct.	.31	.31⅞	.29⅞	.31⅜
.33½	.25⅝	Dec.	.32	.32¼	.30	.32½
.36¼	.33	May	.35	.35⅜	.33	.35½
		Flax				
1.25¼	.94½	Oct.	.98½	1.00	.94½	.97¾
1.27	.95	Dec.	.99¼	1.01	.95	1.00¾
1.21	1.00	May	1.04½	1.06	1.00	1.05¾
		Rye				
.40⅝	.28	Oct.	.34¼	.35¼	.32	.34¼
.42	.29¾	Dec.	.35¼	.36¼	.33⅜	.35¼
.38	.32½	May	.38⅞	.39⅛	.36¼	.39⅛

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of September 22

High to date†	Low		Close, Sept. 15	High for week	Low for week	Close Sept. 22
		Wheat				
.70½	.52⅜	Oct.	.55½	.56½	.52⅜	.55¼
.70½	.54⅜	Dec.	.57½	.58	.54⅜	.56¼

†Since trading opened March 3.

Dividends Resumed:

DIVIDENDS DECLARED (Continued)

Loew's London Theatres, pref., Oct. 1, 3½% for half year ended June 30. Last paid Jan., 1930.

*Stock div. or payable in cash 50c. a share.
‡Stock dividend.
†Payable in Class "A" stock on each share of Class "A" & "B" common.

A. J. Pattison, Jr. & Co.
LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

GYPSUM, CANADA CUTS DIVIDENDS TO 40 CENT BASIS

Second Reduction Made to Conserve Cash Position

From Our Own Correspondent

MONTREAL.—Declaration of a quarterly dividend of 10 cents a share on the common stock of Gypsum, Lime and Alabastine, Canada, payable October 5 to shareholders of record September 28, indicates a reduction of 50 per cent in the former dividend rate. The shares are now on an annual basis of 40 cents a share compared with an 80-cent rate inaugurated in January, 1931.

This is the second cut in disbursements to be made this year, a reflection of the decline in building construction which has adversely affected the company's sales and earnings. Following the four-for-one stock split in August, 1929, the shares were placed on an annual basis of $1.50 and two successive reductions have brought the dividend to its present basis.

Strong Liquid Position

It is understood, however, that the company continues in strong liquid position and that it has no bank loans. The action of directors was taken to conserve the cash position; working capital at the end of 1930 totalled $1,614,303, with a ratio of nearly five to one between current assets and current liabilities.

Economies in operation, it is stated, have been effected, and efficiency of the company's plants has been maintained. Since Gypsum, Lime and Alabastine caters to the building trade, it is only natural that sales have been reduced this year owing to domestic conditions, while exports, though holding up fairly well in earlier months, have recently shown some reduction.

Earnings Are Lower

Earnings in 1931 are likely to show a decrease, compared with $798,382 reported in 1930. After all deductions which included provision for depreciation and depletion, there remained a net profit last year of $308,364 applicable to dividends. During the year, disbursements on the common stock totalled $594,303; accordingly it was necessary to encroach on surplus to the extent of $285,939.

The shares discounted the possibility of dividend reduction and were selling, prior to the recent cut, at around 5, at which level they yielded 6 per cent. On the new basis of 40 cents a share, Gypsum, Lime common at 5 would return 8 per cent.

Charles E. Hayles Heads Winnipeg Grain 'change

Charles E. Hayles, vice-president and general manager of the Canadian Consolidated Grain Co., Ltd., Winnipeg, was elected president of the Winnipeg Grain Exchange at the annual meeting held last week. He succeeded A. P. White, of A. P. White & Co.

The two vice-presidents were elected by acclamation, these being Henry Gauer, of James Richardson & Sons, Ltd., and Harry E. Sellers, president of the Federal Grain Co., Ltd.

From the largest number of members to contest for seats on the council of the exchange for many years, the following 12 were successful: F. J. Anderson, British Empire Grain Co.; N. J. Breen, Lake of the Woods Milling Co., Ltd.; W. J. Dowler, Parrish & Heimbecker; R. T. Evans, British American Elevator Co., Ltd.; C. C. Fields, Norris Grain Co.; John W. Horn, Western Canada Flour Mills Co., Ltd.; J. A. Kennedy, United Grain Growers, Ltd.; R. W. Milner, Jackson Bros. Grain Co., Ltd.; W. A. Murphy, Reliance Grain Co., Ltd.; J. R. Murray, Alberta Pacific Grain Co., Ltd.; R. C. Reece, K. B. Stoddart & Co.; M. A. Smith, N. M. Paterson & Co.

Mr. Hayles, the new president, has been connected with the grain trade in Western Canada for about 20 years.

Must Avoid Wars To Escape Depression

Cleveland Trust Economist Finds Secondary Depressions Invariably Follow Big Conflicts

By LEONARD P. AYRES, Vice-president, Cleveland Trust Company

This depression, and that of 1921, will probably be discussed in future economic histories, as holding important places among the major consequences of the World War. Students of our own business history will note that we had a primary and a secondary post-war depression following the War of 1812, again a primary and a secondary post-war depression following the Civil War, and now once more a primary and a secondary post-war depression following the World War. Moreover, these pairs of post-war depressions have had certain definite characteristics in common that appear to indicate that they have formed parts of a specialized pattern that business activity follows after all great wars.

It is not the event of war that shapes the patterns, but rather the fact that great wars cause sudden and extreme advances in commodity prices. It is this sudden price advance which largely determines the nature and sequence of the business cycles of the following 20 years or so. Since sudden advances in the general levels of commodity prices seldom come except in time of war, the special pattern of business we are considering may be thought of as restricted to post-war periods.

In broad general terms we may think of all the people in the world as being divided into two great classes. In the first class are the people who live in the country, and earn their livelihoods by extracting valuable things from the earth through agriculture, mining, lumbering, and fishing. In the second class are those who live in towns and cities, and support themselves by taking the things produced by the country dwellers and fabricating them, and trading in them.

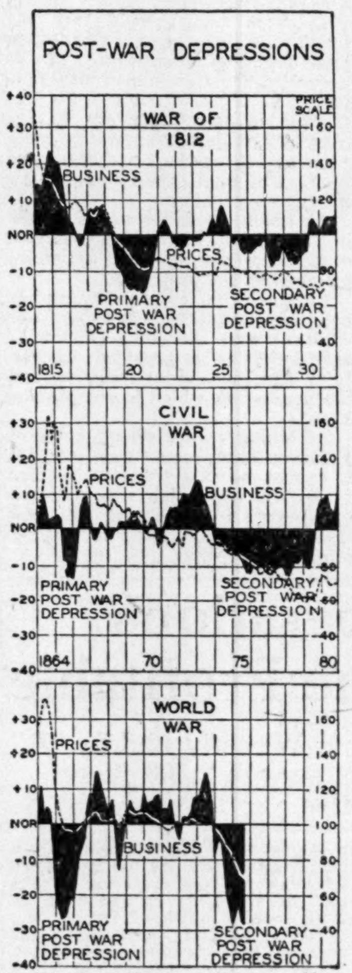
Prosperity First

When war comes, and commodity prices mount, the prompt result is a great wave of prosperity for the farmers. For some time their production costs but little, and the increases in the prices received for crops are almost all profit. Under such conditions of very rapid price advances, the doubling of the amount received for a crop of given size may well result in a tenfold increase in farmer profits. The next development is a great speculation in farm lands, the plowing up of additional fields, the use of profits to buy more land, and a large increase in farm mortgages. Production is sharply stepped up.

This period proves rather difficult for the city dwellers, for while industry and trade are brisk, and everyone can find work, the cost of living is high, wages do not advance nearly so rapidly as prices, and industrial disputes are frequent as pay advances are demanded. However, toward the end of the war, or shortly thereafter, commodity prices reach their peak and turn down. With the price deflation comes business depression for rural and urban dwellers alike. After the Civil War this came in 1865, as soon as hostilities ceased, but after the World War the primary post-war depression did not come until 1921. With the depression comes a collapse of the farm land boom, and the farmers find themselves burdened with the heavy mortgages placed at the earlier high land prices.

This Urban Prosperity

When this primary post-war price deflation and primary post-war depression have run their course, there ensues a period of urban prosperity. Food is now relatively cheap in the cities, for production has increased more rapidly than demand. Food constitutes a large part of the cost of living of the industrial workers, and when food prices decline more rapidly than wages the result is a period of hard times for the farmers, but of prosperity for city people. The world was moving through such a period from the depression of 1921 to the end of the prosperity in 1929. Two characteristic developments mark a period of that sort. The first is a boom in city real estate, with great activity in building construction, stimulated not merely by the prevailing economic prosperity of the city dwellers, but also by the making up of the building shortages that accumulated during the previous war period of inflated prices. The other development is general speculation in almost everything except commodities.



A period of this sort can last a long time, but eventually it destroys itself. The real estate boom and the construction boom run to excesses. General speculation creates fictitious values. There comes a time when the country districts, with their diminished purchasing power, can no longer consume their normal proportion of the goods produced by the cities. Then comes a secondary decline in commodity prices, a collapse of city real estate values, and the secondary post-war depression, afflicting urban communities and country districts alike. During this secondary depression wages, prices and profits for both city dwellers and country people are painfully jarred and jolted back into a working adjustment that enables the nation, or the nations, to make progress in the long task of paying off the accumulated indebtedness. The significance of these sequences has been commented upon by Professors Warren and Persons of Cornell University.

Takes Ten Years

Apparently it takes about 10 years for the developments that have been described to take place. The peak of commodity prices of the War of 1812 came in 1815, and the secondary depression was ushered in 10 years later by the panic of 1825. In the Civil War the peak of prices came in 1864, and the first full year of the secondary post-war depression was 1874. After the World War the peak of commodity prices was in 1920, and the first full year of the secondary depression was 1930. In each case there seems to have been the same sequence of (1) price inflation, (2) farm prosperity and farm land speculation, (3) price deflation and depression, (4) city prosperity and speculation, (5) secondary price deflation and secondary depression.

The same sequence has been followed before in earlier war and post-war periods, but this time the whole world is involved. Instead of thinking about it in terms of country districts and city populations, we must remember that this time it affects whole nations, and almost all nations, all over the world. Our troubles are not the result of some mysterious and hitherto unsuspected weakness in our social system, nor can they be cured by adopting a five-year, or ten-year, or twenty-year plan of reorganization of our industries, our banks and our commerce. The true lesson of this depression is that we cannot afford any more great wars.

Radio Licenses Issued Ahead of Year 1930-31

There were 466,851 private radio receiving licenses issued in Canada up to August 31 in the current fiscal year as compared with 349,676 to the same date in the previous year and the total of 523,100 for the entire fiscal year 1930-31.

Quebec has made the largest advance in licenses granted, these at 99,991 already outnumbering by 3,000 the figure for the whole year 1930-31. British Columbia, with 45,056 licenses issued to date, has also exceeded the previous year's figure by about 1,500.

SMALL CANNERS DEPRESS PRICES; VOLUME SMALL

Larger Units Maintain Position; Tomato Crop Looks Better

Price reductions instituted by independent canners in recent weeks have brought the current prices, quoted to retail grocers, well below actual cost of production in many cases. The situation, however, differs considerably from that which prevailed in 1930 since buying has been chiefly for current requirements and there has been no contract buying such as was in effect last year. With this hand-to-mouth buying and a plentiful supply of fresh fruits and vegetables available it is believed that there has been no great volume of canned goods sold at the low prices prevailing.

Small independent canning units with a limited pack appear to be depressing the market by unloading their stocks on hand. The large canning companies, such as Canadian Canners are not unduly alarmed at the situation since they have the financial strength to withstand such competition and adequate inventories to meet dealer requirements for the next year. The peak demand for canned goods comes during the winter months when fresh vegetables are not available and the larger companies are in a position to meet this demand.

The Canadian Grocer reports "the hot weather around the middle of September preceded by rains in the tomato districts tended to the rapid growth and ripening of tomatoes on the vines and in many instances canneries were working overtime. Everything points to a fairly substantial pack especially if the canners have another couple of weeks or more of fine weather without any killing frost. While the pack this year will not be as great as last, there is a good size carry over and there will be plenty of tomatoes to go around.

"Prices of late have been low due to keen competition among the packers to get rid of stocks. Some of the independents brought the price for quantity lots of standards down to around 70 cents and this was followed by another 5 cent cut by one of the larger firms. These prices preclude the possibilities of any profits and it is a question how long they will last. If they are continued we can accept the probability that there will be fewer canneries operated next year, simply because the banks will not loan the money. Canned corn for instance has also been reduced because of competition although there is not the same movement in this line as in tomatoes. Peas are also low in price and in fact of these important vegetables, which form such a large part of the canners' output, three are being sold at losses at the present time. Canners that deal only in these lines or in one or two of them cannot possibly make any money, whereas the larger firms have many other lines including fruits to make up their losses."

Building Permits Fall Sharply During August

While the decline of 24.4 per cent in the value of building permits issued during August by the 61 centres reporting can be ascribed, to some extent at least, to a seasonal decline, the total of $8,224,074 was 41.4 per cent under the figure for August, 1930, representing a drop in value of nearly $6,000,000.

Aggregate value of building authorized in the first eight months of the present year was $76,575,853, lower than in any year of the last twelve for which records are immediately available. In this regard, however, it must be remembered that there has also been a very significant decline in wholesale costs of building materials which contributes in part to this condition. Thus, taking 1926 as the 100 basis of material costs, the index figure has dropped 8.3 points. In the same period, however, the index of value of permits issued declined 37.3 points. The aggregate of permits issued in the eight months, compared with the same period last year, was 33.6 per cent lower, building material costs being about 11 per cent lower.

Nova Scotia, New Brunswick, Saskatchewan and Alberta reported gains as compared with July, that of $285,851, or 98 per cent, in Alberta being the most noteworthy. Of the reductions that, of $1,441,749, or 36.2 per cent, in Quebec was the largest. Toronto showed improvement as compared with August, 1930, but the total was smaller than in July this year, while of the other principal cities, Montreal, Winnipeg and Vancouver reported decreases in both comparisons.

Mining Stock Quotations

WEEK ENDING SEPTEMBER 21

Par Val	Range 1931 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept. 21
1	.23	.03	Abana	7,160	.04	.05	.03	.03
1	.03	.01	Aconda	3,000	.01	.01	.01	.01
1	.05½	.03½	Adrien	......	.04⅞	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.20½	.11	Alexandria	9,000	.15	.14½	.11	.12
1	.05	.00½	Algonquin	30,000	.00¾	.01	.00¾	.00¾
1	.02½	.01	Amity C.	500	.02½	.02	.02	.02
No	.45	.12	Amulet	4,600	.17	.18	.17	.17
1	.02½	.00¾	Apex	1,500	.00¾	.00¾	.00¾	.00¾
1	.05	.01	Area	2,000	.01½	.01½	.01½	.01½
1	.01	.00½	Argo. Cons.	......	.00½	.....	.....	.....
No	.08½	.01¾	Arno	76,700	.02¾	.02¾	.01⅞	.02
1	.01¾	.01	Astoria	......	.01	.....	.....	.....
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.07	.05½	Bagamac	......	.06½	.....	.....	.....
1	.02½	.01	Baldwin	5,000	.01	.01	.01	.01
1	.19	.08	Barry Holl.	63,400	.10	.11	.09	.10½
No	1.45	.75	Base Metals	......	1.00	.....	.....	.....
No	.04	.00⅞	Bathurst	14,300	.03	.03	.02½	.03
5s.	1.75	.60	B'Wana	......	.75	.....	.....	.....
1	.28	.25	Ben Nevis	......	.27	.....	.....	.....
1	.33	.20½	Bidgood	37,050	.26	.26	.20½	.21
1	.50	.10½	Big Missouri	31,630	.18	.20	.10½	.11
1	.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.12	.02	Bobjo	7,000	.03½	.03½	.03	.03½
No	.01	.00½	Boischatel	500	.00½	.01	.01	.01
1	.08	.01	Brett Trethewey	1,000	.01½	.01½	.01½	.01½
1	.03	.03	Brit. Canadian	......	.03	.....	.....	.....
No	.12	.02¾	Brownlee	96,200	.03½	.04	.03	.03
1	.02	.00½	Buckingham	......	.00½	.....	.....	.....
No	.08½	.02	Bunker Hill	8,000	.03¾	.03¾	.03¾	.03¾
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.02	.01	Cambro Kirk	500	.01½	.02	.02	.02
No	.05½	.02	Canam Metals	......	.02½	.....	.....	.....
1	.06½	.01½	Can. Kirk	8,000	.03½	.03½	.03	.03
1	.02	.02	Can. Lorraine	......	.02	.....	.....	.....
1	.32½	.12	Canusa	10,700	.16	.22½	.18	.18
1	.04½	.00½	Capital Rouyn	......	.01	.....	.....	.....
1	.26½	.15	Castle Tre.	8,200	.15	.15¾	.15	.15¾
1	.23	.03	Cen. Manitoba	2,000	.09	.09½	.09	.09
1	.17	.07½	Can. Patricia	2,000	.10	.09	.08	.08
1	.02	.01½	Champion R.	......	.02½	.....	.....	.....
No	.59	.02	Chib. Pros.	8,500	.06½	.07	.05	.05
No	.08	.01½	Clericy	11,500	.02	.01½	.01½	.01½
5	10.50	2.50	Coast Copper	275	3.00	3.01	3.00	3.00
1	.05½	.01½	Cobalt Contact	18,500	.02	.02½	.01½	.02½
1	.02½	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	12,050	.10½	.10⅞	.09	.09
5	1.50	.50	Coniagas	300	1.25	1.25	1.25	1.25
No	.62	.25	Coniaurum	100	.40	.40	.40	.40
25	188.25	64.00	Cons. Smelters	4,675	76.00	76.50	64.00	65.25
.	.26	.15	Cons. Venus	300	.25½	.26	.25	.26
1	.01	.00½	Corona	......	.00½	.....	.....	.....
1	.02½	.00¾	Crown Reserve	1,000	.01	.01	.01	.01
.	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.21	.03	Dom. Exploration	26,100	.09½	.10½	.08	.08
1	.03	.00½	Dom. Kirkland	3,000	.00½	.00½	.00½	.00½
No	13.40	9.00	Dome Mines	10,499	11.95	12.00	10.80	10.80
1	.01	.00½	Don Rouyn	4,000	.01	.01	.01	.01
No	.33	.30	Don. Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02½	.00¾	Duprat	1,000	.01¾	.01¾	.01¾	.01¾
1	1.68	.20	Eldorado	43,010	1.10	1.25	1.00	1.01
No	1.70	.75	Falconbridge	200	1.06	1.00	.90	.90
1	.08½	.02	Federal	5,500	.04½	.04½	.04½	.04½
No	.01½	.00½	Flintoba	......	.00¾	.....	.....	.....
No	.30	.07	Gem Lake	3,500	.07½	.07½	.07	.07
No	.04½	.02½	Gilbec	1,000	.04	.02½	.02½	.02½
1	.08	.02½	Goldale	1,000	.03½	.03½	.03½	.03½
10	.25	.15	Goldfield	......	.15	.....	.....	.....
1	.01½	.00½	Gold Hill	6,000	.00½	.00½	.00½	.00½
1	.11	.02½	Goodfish	1,500	.05	.05	.05	.05
1	.04	.00½	Graham	11,500	.00¾	.00¾	.00½	.00½
1	2.30	1.10	Granada	2,300	1.22	1.16	1.15	1.15
1	.12	.06	Grozelle	4,500	.12	.12	.10	.10
1	.03	.01	Harker	1,000	.01	.01½	.01½	.01½
.	.39	.31	Harvey	......	.39	.....	.....	.....
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
.	.30	.28	Helliwell	......	.28	.....	.....	.....
1	.05	.00½	Hilltop	110,500	.02	.03	.02	.02
5	8.70	5.70	Hollinger	9,965	6.15	6.05	5.90	5.95
1	.40	.20	Howey Gold	9,975	.34	.33½	.28	.28
No	6.30	2.92	Hudson Bay	1,550	3.30	3.40	2.92	3.00
No	.40	.30	Huronian	90	.30	.30	.30	.30
No	20.50	9.00	Int. Nickel	69,774	11.00	11.00	9.00	9.25
1	.03	.00½	Jackson Manion	......	.01	.....	.....	.....
1	.34	.23	Keeley	......	.23	.....	.....	.....
1	.04½	.00½	Keora M.	1,000	.00¾	.00¾	.00¾	.00¾
1	.65	.27½	Kirk. Hud. Bay	1,350	.56	.60	.57	.60
1	.03	.01	Kirk. Hunton	18,000	.02	.02	.01½	.01½
1	.93	.54	Kirk. Lake	36,485	.67	.68	.59	.59½
1	.08	.01	Kirk. Premier	22,000	.04	.04½	.03¾	.04
1	.25	.05½	Kirk. Townsite	32,700	.16	.17	.14	.14
20c.	.02½	.00½	Koot. Florence	1,500	.00¾	.00¾	.00¾	.00¾
1	.02	.00⅞	La Rose	5,000	.01½	.00⅞	.00⅞	.00⅞
1	.69	.38	Lakeland	2,000	.47½	.47½	.47	.47½
1	28.50	23.50	Lake Shore	7,670	27.25	27.50	26.50	26.50
1	.02	.00½	Laval	......	.00½	.....	.....	.....
1	.04	.01½	Lebel Oro	1,500	.03½	.02¾	.02½	.02½
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	25,760	.42	.45	.34	.34
1	.12	.02	Malartic	5,400	.03	.03½	.03	.03½
No	.15	.06	Mandy	1,000	.11	.08	.08	.08
No	.06	.01½	Manitoba Basin	3,000	.01¾	.01¾	.01¾	.01¾
1	.55	.20	McKinley	......	.35	.....	.....	.....
5	26.50	20.00	McIntyre	5,355	22.00	22.25	21.00	21.25
No	.33	.08	McLeod River	98,200	.24	.24	.19	.21
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.06	MacMillan	......	.06	.....	.....	.....
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
No	2.84	1.39	Mining Corp.	4,245	1.68	1.67	1.39	1.43
1	.34	.01	Moffatt Hall	485,050	.17	.17½	.09⅞	.10½
1	.04	.02½	Moneta	......	.03½	.....	.....	.....
1	.00	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	142,820	.51¾	.51¼	.35	.36½
1	.09	.01	Murphy	6,200	.03	.03	.02½	.02½
No	.07½	.02	Newbec	10,900	.03½	.03½	.03	.03
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	3,000	.03	.04	.03	.04
5	1.90	.80	Nipissing	2,700	1.50	1.36	1.00	1.00
No	29.65	14.00	Noranda	51,435	18.35	18.50	15.25	15.80
1	.50	.25	Nor. Canada	2,000	.27	.30	.27	.27
No	.03	.00½	Old Colony	2,000	.00½	.01	.01	.01
1	.01	.00½	Ophir	......	.00½	.....	.....	.....
1	.10½	.02½	Oriole	......	.03	.....	.....	.....
1	.21	.07	Osisko	17,500	.08½	.08¾	.07	.07
1	.25	.23	Parkhill	......	.23	.....	.....	.....
1	.15	.14	Patricia Dent	......	.14½	.....	.....	.....
1	.04	.01½	Pawnee Kirk	......	.02¾	.....	.....	.....
No	1.61	.60	Pend. Oreille	1,325	.70	.60	.60	.60
1	.04½	.01	Pete. Cobalt	1,000	.01½	.01½	.01½	.01½
.	.25	.18½	Phoenix M.	600	.21	.25	.22	.25
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.12	.05	Pioneer	1,000	.09	.05	.05	.05
1	.02½	.00½	Porc. Crown	......	.01	.....	.....	.....
1	.02	.00½	Potter Doal	5,000	.01	.00½	.00½	.00½
1	.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.99	.41	Premier Gold	5,950	.45	.46	.41	.41
1	.02½	.00½	Preston E. Dome	......	.01	.....	.....	.....
No	.25	.07	Quemont	......	.08	.....	.....	.....
1	.06	.00½	Ribago	50,500	.04	.04¾	.03¾	.04
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.02	Ritchie	25,000	.03½	.03½	.03	.03
1	.04	.00¾	R. Montbray	......	.01	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.36	.30	San Antonio	1,500	.12	.36	.30	.30
1	.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	1.25	.49	Sherrit Gordon	19,425	.60	.60	.50	.51
.	.57	.36	Sisco	59,690	.55½	.56½	.49	.49
1	.18	.02	South Keora	500	.02¾	.02¾	.02¾	.02¾
No	.05	.01½	Stadacona	32,500	.02	.01⅞	.01½	.01½
1	.20	.03½	St. Anthony	2,000	.08	.08½	.08	.08
No	.82	.35	Sudbury Basin	2,300	.45	.43	.40	.40½
1	.03	.01	Sud. Contact	3,000	.01½	.01½	.01½	.01½
1	.03½	.00½	Sudbury M.	1,000	.00¾	.00¾	.00¾	.00¾
No	.04¾	.01	Sudbury N.	......	.03	.....	.....	.....
1	.19	.09	Sullivan	2,800	.10	.10½	.10	.10
1	1.14	.48	Sylvanite	9,650	.75	.75	.70	.70
1	.20½	.04	Tashota	8,000	.14	.13	.10	.10
1	8.65	6.00	Teck Hughes	12,371	6.25	6.25	6.00	6.00
1	.10½	.01	Telluride	......	.01½	.....	.....	.....
1	.01½	.01	Temiskaming	......	.01	.....	.....	.....
1	.06½	.02	Thom. Cad'c.	100	.04	.03½	.03½	.03½
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	600	.33	.31	.31	.31
No	2.65	1.00	Treadwell	100	1.60	1.00	1.00	1.00
No	2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.15	.04½	United Kirkland	3,200	.08½	.08	.07	.07
1	.03	.01	Vacuum Gas	......	.02	.....	.....	.....
No	.86	.35½	Ventures	32,660	.57	.57	.47	.49
1	.15	.01½	Vickers	2,000	.08	.09	.08½	.09
1	1.22	.61	Vipond	6,950	.69	.66	.61	.61
No	2.00	.90	Waite Ackerman	......	1.00	.....	.....	.....
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.03⅞	White Lake	300	.07	.07½	.07½	.07½
1	.06	.02	Wiltsey	......	.02	.....	.....	.....
No	.01½	.00½	Windfall Rain	......	.01	.....	.....	.....
.	.13	.03½	Wood Kirk	......	.08½	.....	.....	.....
No	3.25	1.85	Wright-Har.	57,635	3.08	3.12	2.90	2.91
			WESTERN OIL STOCKS					
1	.30	.18½	Acme	30,150	.18	.18	.16	.16½
1	.37½	.05	Alta. Pacific	782	.07½	.08	.07	.08
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
No	.25	.04	Associated	910	.04	.05	.04	.04
1	1.89	1.10	Ajax	4,225	1.20	1.18	1.10	1.10
No	.12	.02	Baltac	100	.02	.03	.03	.03
1	.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	300	.07	.06½	.06	.06
1	.32	.04	Calmont	2,030	.05	.05	.04½	.04½
No	.82	.20	Calgary & Ed.	1,675	.24	.25	.20	.22
1	.47	.08	Comm. Pete	500	.09	.08	.08	.08
No	.60	.15	Dalhousie	......	.16	.....	.....	.....
No	.08	.01½	Devenish	......	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	600	.01½	.02	.02	.02
No	.69	.08	East Crest	6,350	.10	.10½	.08	.08
1	.05	.00½	Fabyan Pete	1,000	.00¾	.00¾	.00¾	.00¾
No	.60	.14	Foothills	915	.15	.15	.15	.15
No	.18½	.02	Freehold	......	.02½	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.17	.03	Hargal	......	.04	.....	.....	.....
No	.10	.03½	Herron Pete	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	1,500	.03	.03	.03	.03
No	2.00	.35	Home	2,145	.40	.40	.35	.35
No	.22	.00½	Homestead	......	.02½	.....	.....	.....
1	1.70	.38	Homest'd O. & G.	2,200	.55½	.60	38	.38
1	.08½	.00½	Ill. Alberta	7,500	.00½	.00½	.00½	.00½
No	.70	.10½	Lowery	......	.18	.....	.....	.....
1	.05	.00½	Madison	2,300	.00½	.00¾	.00¾	.00¾
1	.85	.15½	Mayland	200	.17	.17	.15½	.15½
No	.11	.02½	McD. Segur Ex.	......	.03	.....	.....	.....
1	.29	.01½	McD. Segur N.	......	.02½	.....	.....	.....
1	.72½	.25	McLeod	100	.30	.28	.28	.27
No	.39	.07½	Mercury	14,675	.09	.10¾	.09½	.09½
No	20	.05	Merland	6,000	.06	.05½	.05	.05½
No	.38	.08	Mill City Pete	5,600	.08	.09	.09	.09
1	.49	.11	Model	300	.11½	.11½	.11½	.11½
1	.18	.02	Monalta	......	.02	.....	.....	.....
1	.31	.07	Moose M.	......	.07	.....	.....	.....
1	.04	.00½	New Federal	......	.01	.....	.....	.....
No	.56	.15	Nordon	53,000	.21	.23	.16	.17
No	.11	.02¾	Oil Selection	20,000	.08½	.06½	.04½	.04½
No	.28	.03½	Okalta	200	.04	.04	.04	.04
100	27.00	3.00	Do., Pref.	......	10.00	.....	.....	.....
No	.22	.05	Olga Gas & Oil	4,200	.12½	.14	.10	.13½
1	.37½	.18	Petrol Oil	1,600	.19	.21	.18	.18
No	.28	.02	Penn. Pete	22,000	.03½	.03¾	.02½	.02½
No	.25	.05	Ranchmen's	150	.08	.09	.09	.09
1	.05	.01½	Regent	......	.02	.....	.....	.....
No	.13	.01½	Richfield	......	.01½	.....	.....	.....
No	17.75	5.50	Royalite	86	6.25	6.00	5.75	5.75
1	.82	.22	Sarnia Oil	5,400	.25	.25	.22	.22
1	.06½	.01	Signal Hill	3,200	.02½	.03	.02½	.02½
No	.27	.10	South West Pete	800	.10	.10	.10	.10
No	.60	.12	Spooner	......	.14	.....	.....	.....
No	.19	.04½	Sterling Pacific	200	.05	.05	.05	.05
.	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.05	Turner Valley	......	.05	.....	.....	.....
No	.31	.06	United	1,042	.06	.06½	.06	.06
1	.15½	.08	Vulcan	......	.08	.....	.....	.....
No	.05	.00½	Wainwell	2,200	.00¾	.01	.00¾	.00⅞
1	.28	.03	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to September 16)					
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.07	.01	Beaver Silver	......	.04	.....	.....	.....
25c	.02½	.00½	Bluebird	......	.01½	.....	.....	.....
25c	.70	.40	B. C. Silver	......	.40	.....	.....	.....
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.20	.10	Cotton Belt	1,500	.21	.20	.20	.20
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.04	Duthie	......	.04	.....	.....	.....
1	.90	.40	George Copper	......	.40	.....	.....	.....
50c	.05	.01	Geo. Enterprise	900	.02	.01	.01	.01
1	.05	.01½	Georgia River	14,600	.04	.03¾	.03	.03
50c	.02½	.02½	Glacier	......	.02½	.....	.....	.....
10c	.01	.01	Gladstone	......	.01	.....	.....	.....
1	.45	.18	Golconda	......	.21½	.....	.....	.....
50c	.07½	.03	Grandview	9,000	.05	.05	.04½	.04½
No	27.50	27.50	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.10	Intern. Coal	......	.12	.....	.....	.....
1	.01½	.01	Independence	......	.01	.....	.....	.....
1	.02	.01	Indian Mines	5,000	.01	.01	.01	.01
1	.43	.24	Jack Waite	......	.32	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	.00½	.00½	Lakeview	......	.00½	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
1	.12½	.06	Lorne Gold	20,058	.10	.10½	.08	.10
10c	.03½	.01½	Lucky Jim	......	.02	.....	.....	.....
2.50	.01	.00¾	Marmot Gold	......	.01	.....	.....	.....
50c	.01	.00½	Marmot Metals	......	.00½	.....	.....	.....
25c	.00½	.00½	Mohawk	......	.00½	.....	.....	.....
1	.25	.14	Montana Mines	......	.17	.....	.....	.....
1	.05	.01	Morton Woosley	15,000	.01½	.01	.01	.01
50c	.03½	.01	National Silver	2,000	.01	.01	.01	.01
50c	.09½	.03	Noble Five	1,000	.04	.04	.03	.03
50c	.12½	.03	Oregon Copper	......	.03	.....	.....	.....
1	2.70	1.23	Pioneer Gold	5,075	2.30	2.50	2.30	2.40
No	.02	.00½	Premier Border	......	.00½	.....	.....	.....
50c	.09	.04	Porter Idaho	......	.04	.....	.....	.....
No	.55	.20	Reeves McDonald	125	.21	.20	.20	.20
1	.28	.11	Reno Gold	100	.27	.23	.23	.23
1	.04	.02	Rufus Argenta	......	.02	.....	.....	.....
1	.07	.04	Ruth Hope	......	.05	.....	.....	.....
1	.05½	.04	Silverado	......	.05½	.....	.....	.....
25c	.03	.00½	Silver Crest	......	.00½	.....	.....	.....
50c	.05	.00¾	Snowflake	9,000	.01½	.01¾	.01¾	.01¾
1	.45	.25	Sunloch	60	.30	.25	.25	.25
50c	.02	.01	Topley Rich	......	.02	.....	.....	.....
5	.20	.05	Toric	......	.05	.....	.....	.....
20c	.01	.00½	Wellington	......	.01	.....	.....	.....
1	.05	.02	Whitewater	......	.02	.....	.....	.....
No	.03½	.00½	Woodbine	......	.00½	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.83	Premier	12c.	29.26
Dome Mines	$1	9.25	Pioneer, B.C.	12c.	5.33
Granby	$1	....	Royalite	50c.	....
Hollinger	65c.+5	11.76	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c.	....
Inter. Nickel	40c.	4.32	Teck Hughes	60c.	10.00
Lake Shore	$2	7.54	United Oils	5c.	....
McIntyre	$1	4.70	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har.	10+2½c.	4.29

a. Stock bonus 1 share for each 20 shares held.

Canadian Quotations—Cont'd

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited

September 22, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	....	.40
Acadia Sugar pfd.	1.75	....
Allens Coll. pfd.	32.00	....
Allens Lond. pfd.	28.00	....
Andian Nat. Corp.	22.00	27.50
Brand.-Hend. c.	....	22.00
Brand.-Hend. pfd.	75.00	90.00
Brew. Corp. of Can. c.	.30	....
Brew. Corp. of Can. pfd.	3.00	4.50
B.C. Pulp & Pap. com.	1.75	....
B.C. Pulp & Pap. 7% pfd.	....	45.00
Canada Biscuit pf.	....	7.00
Can. Crushed Stone pfd.	....	75.00
Can. Dom. Sugar c.	16.25	18.00
Can. Mach. c.	5.25	8.00
Can. Mach. 7% pf.	22.00	30.00
Can. Pack. c.	14.75	16.00
Can. Pack. 7% pf.	92.00	97.00
Can. Starch pfd.	71.00	....
Can. Wire & Cable pfd. w.w.	95.00	100.00
Can. Indus. c. 'A'	105.00	125.00
Can. Indus. c. 'B'	....	125.00
Can. Indus. 7% pfd.	115.00	125.00
Can. Investors c.	7.00	11.00
Can. Westing.	....	60.00
Chase, A. W. 8% pfd.	37.00	43.00
Cons. Oka Sand & Gravel pfd.	....	75.00
Copeland Flour 6% pfd.	....	15.00
Dom. Foundries & Steel pfd.	50.00	56.00
Dom. Foundries & Steel c.	5.00	8.00
Dom. Mfrs. pfd.	70.00	....
Dunlop Tire 7% pfd.	....	91.00
Eastern Car 6% pfd.	45.00	58.00
Freiman, A. J. pf.	62.00	....
Goderich Elev. & Transit	14.00	16.00
Greening Wire 7% pfd.	85.00	95.00
Guard. Realty pfd.	40.00	45.00
Harding Carp. pf.	....	59.00
Inter-City Bak. c.	45.00	50.00
Internat. Proprietaries "A"	....	31.00
Loew's London c.	.50	1.25
Loew's London 7% pfd.	1.75	3.75
Maritime Tel. & Tel. c.	14.50	16.00
Maritime Tel. & Tel. pfd.	12.50	14.00
Morrow Screw Nut 7% pfd.	94.00	....
Mt. Royal Hotel Scrip	1.10	2.00
Mount Royal Hotel com.	1.40	2.50
Mount Royal Hotel 6% pfd.	19.00	24.00
Nat. Grocers c.	.70	1.50
Nat. Grocers 2nd 7% pfd.	48.00	....
Para. Oshawa c.	9.50	....
Para. Oshawa pf.	30.00	....
Prov. Paper pfd.	....	70.00

	Bid	Asked
Standard Clay Products c.	26.00	....
Standard Fuel pfd. bonus	67.00	73.00
Supertest Petroleum "B" pfd.	17.00	....
Toronto Brick pf.	60.00	....
Toronto Carp. c.	111.00	....
Toronto Carpet 8% pfd.	95.00	....
Toronto Elevator 7% pfd.	....	75.00
Toronto Hous'g c.	24.00	....
Un. Amuse. "A"	15.00	26.00
Willards Chocolates 8% pfd.	....	45.00
Insurance Stocks:		
Br. Amer. Assce.	35.00	....
Canada Life Ass.	590.00	645.00
Canada Nat. Fire	23.50	30.00
Can. Fire Ins.	70.00	94.00
Cap. Life 20% pd.	....	20.00
Commercial Life 10% pd.	....	20.00
Confederation Life 20% pd.	180.00	250.00
Continental Life 20% pd.	68.00	85.00
Crown Life	....	255.00
Dominion Fire	90.00	135.00
Dom. of Canada General Ins.	200.00	235.00
Dom. Life 50% pd.	290.00	400.00
Excelsior Life 30% pd.	95.00	120.00
Fed. Fire 25% pd.	35.00	....
Fidelity Ins. of Canada	....	100.00
Gt. West Life	460.00	500.00
Guar. Co. of N.A.	242.00	....
Halifax Fire	12.00	17.00
Imperial Life	400.00	445.00
Mfrs. Life	320.00	360.00
Monarch Life	28.50	34.00
Nat. Life 25% pd.	128.00	140.00
Saskatchewan Life 10% pd.	9.00	18.50
Sovereign Life	27.00	32.50
Sun Life Assur.	450.00	650.00
Western Assur. c.	38.00	45.00
West. Life 20% pd.	7.50	....
Trust Loan & Bank Stocks:		
Br. Mtg. & Trust	175.00	....
Can. Gen. Invest. Trust 1st	24.00	30.00
2nd Can. Gen. Investments	6.25	8.00
Chartered Trust	95.00	110.00
Deb. & Sec. c.	....	75.00
Deb. & Sec. pfd.	58.00	....
Eastern Trust	162.00	....
Guelph & Ont. Inv. par $50	....	64.00
Lambton Loan & Savings	75.00	....
London & Western Trust	....	176.00
Midland Loan & Savings	11.00	....
Mtge. Disc. pfd.	3.25	5.00
Mutual Fin. pfd.	5.00	....
Mutual Fin. c.	5.00	....
Sec. Loan & Sav.	110.00	....
Sherbrooke Trust	112.00	....
Sterling Trust	87.00	....
Traders Fin. pfd.	....	80.00

Unlisted Canadian Securities (Continued)

	Bid	Asked
Traders Fin. c.	....	15.00
Trusts & Guar.	75.00	80.00
Victoria Trust & Savings	165.00	185.00
Waterloo Trust & Savings	125.00	135.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	103.25	105.50
Calgary Pwr. pfd.	....	93.00
Can. Light & Pwr. com.	....	27.50
Can. Northern Power pfd.	105.00	107.00
Can. West. Nat. Gas LH&P pfd.	74.00	81.00
Gt. Lakes Pwr. pf.	....	91.00

	Bid	Asked
N.B. Tel. c.	13.50	16.50
N.S. L&P c.	63.00	69.00
N.S. L&P pfd.	89.00	95.00
Ottawa LH&P 6½% pfd.	102.50	....
Pwr. Corp. 6% pfd.	92.00	98.00
Recent London Quotations:		
Brewer Distillers		2s. 9d.
Can. & For. Sec.		7s. 6d.
Can. West. Lumber		1s. 9d.
Hudson's Bay		19s. 6d.
Do., 5% pfd.		55s.
Internat. Holdings		$7 7-16
Nfld. Pr. & Pap. deb. stk.		97½
Trust & Loan of Can. (15s. pd.)		3s. 9d.

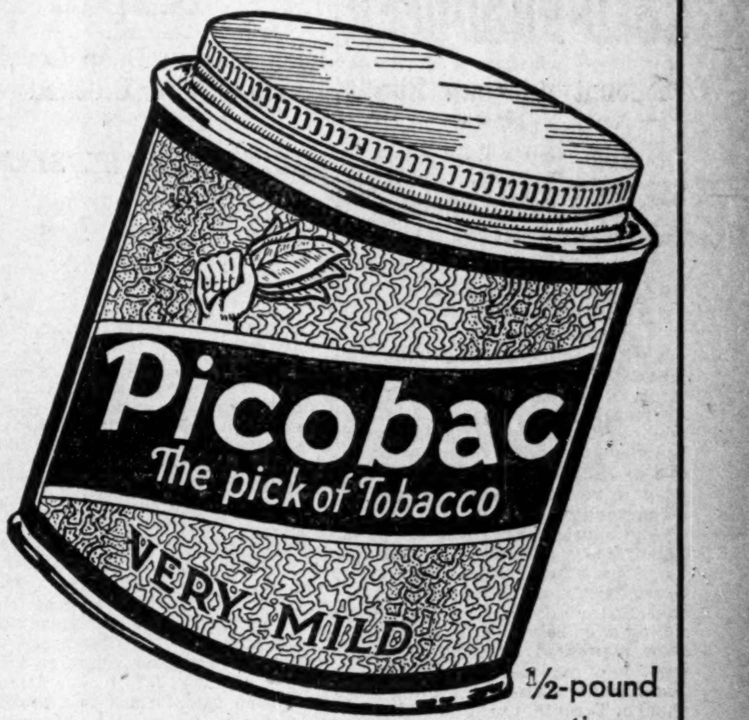
Listed Bond Quotations

Week Ending September 21

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1931 High	Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	78	49
Asbestos	5	1942	...	65	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	14	...	...	20	15
Do., gen. mtge.	6	1956	...	†14	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x102½	102½
Can. Cottons	5	1940	6.88	...	...	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	6½	7	...	28½	5
Do. (Way Ser.)	5½	1958	...	...	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	94
Cedars Rapids	5	1953	4.66	105	...	...	105	101
Dom. Canners	6	1940	...	102½	...	...	x103	...
Dom. Coal	5	1940	5.29	95½	...	...	98½	98
McNish	6	1948	...	2.25	2.25	...	3.25	2.00
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & Pr.	4½	1932	...	100⅜	...	...	x100	98⅜
Mont. Tr. 1st mtge.	5	1941	4.84	...	...	...	101½	99½
Mont. Tr. "A"	5	1955	5.70	91	91½	90½	95½	90½
Mont. Tr. G. & R. "B"	5	1955	5.51	...	...	...	95½	91¾
Do. "C"	4½	1955	5.64	†85	...	...	85	84
Do. "D"	5	1955	5.55	...	...	...	95¼	91¾
N. S. Steel	5	1959	9.28	...	...	...	92⅜	58
Ogilvie Flour "A"	6	1932	5.35	100½	...	...	100⅜	100
Do. "B"	6	1932	...	100½	...	...	x108	101
Do. "C"	6	1932	5.73	100½	...	...	100½	...
Ont. Steel	6	1943	...	100½	...	...	...	...
Porto R. Pr.	5	1936	7.95	88	...	...	93	88
Steel of Can.	6	1940	5.08	107	...	...	107½	106¾
Wayagamack	6	1951	...	†41	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	...	...	...	99½	98½
Toronto								
Canada Bread	6	1941	6.00	100	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	....	100.00	....	....	101.70	99.95
Do.	5	1937	3.94	103.50	106.00	....	108.15	104.00
Victory Loan	5½	1933	4.31	100.25	102.00	....	105.25	102.00
Do.	5½	1934	4.80	100.25	103.50	101.90	105.30	101.90
Do.	5½	1937	4.25	105.30	109.80	105.30	112.40	105.30
Do., refund	4½	1940	4.60	96.50	100.38	99.00	102.30	99.00
Do., refund	5	1943	4.68	....	105.00	103.75	106.70	103.25
Do., refund	4½	1944	4.60	98.00	98.75	98.45	102.35	98.45
Do., refund	4½	1946	4.60	96.50	100.50	....	102.45	100.50
Do., renewal	5½	1932	4.05	100.00	....	....	103.00	101.60
Conversion Loan	4½	1956	4.63	97.50	....	....	102.10	101.45
Do.	4½	1957	4.76	98.00	101.80	99.25	103.00	99.25
Do.	4½	1958	4.74	99.00	102.25	....	104.65	102.25
Do.	4½	1959	4.83	99.00	101.15	....	104.75	101.15

x Quotations for 1930. None recorded in 1931 to date. †Latest ask.

you will like
Picobac
the pick of **Tobacco**



½-pound tins
for pipe or cigarette
75c
—also in 15c tins

FREE BOOKLET! "HOW TO TAKE CARE OF YOUR PIPE."
Write Dept. "A," P.O. Box 1320, Montreal

Pulleys, Saws, Mill Supplies
Belting for Every Need
N. SMITH BELTING WORKS
138-140-142 York St.
Toronto, Can.

Established 1889
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG WINDSOR

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

PIPE & ALLEN
QUALIFIED ACTUARIES
Specializing in Pension Fund organization and valuation, statistical analysis and Hollerith tabulation for casualty, fire and life insurance companies.
METROPOLITAN BUILDING - TORONTO

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
CLARKSON, McDONALD, CURRIE & COMPANY
TORONTO OTTAWA WINDSOR
MONTREAL and QUEBEC
Chartered Accountants
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

MARA & McCARTHY
Members: Toronto Stock Exchange, Montreal Curb Market, New York Curb Market (Associate)
STOCK BROKERS
W. HAROLD MARA
LEIGH M. McCARTHY
H. G. DAVIDSON
JOHN A. MARA
A. MORTON BROWN
Lt.-Col. CARSON McCORMACK
Canada Permanent Building, 320 Bay Street
TORONTO
Telephone: Adelaide 9151

DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

MAPLE LEAF
INDUSTRIAL
ALCOHOL
HIGHEST QUALITY—BEST SERVICE
Ethyl Alcohol—Cologne Spirits, Denatured Alcohol (ALL-FORMULAE)
We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the Trade.
TRADE MARK
Canadian Industrial Alcohol Co., Limited
MONTREAL CORBYVILLE
TORONTO WINNIPEG VANCOUVER

Canadian Mining News

EXCHANGE RATE NOW BENEFITS GOLD PRODUCER

Discount on Can. Funds in New York Strengthens Gold Stocks

SUPPLY INADEQUATE

Debasement of Gold and Passing of Gold Standard Bear Little Relation

The present economic situation in Great Britain and its announcement of the abolition of the Gold Redemption Act, has raised in the minds of the holders of gold stocks the question of the future security of this class of investment. On the whole a review shows the position strengthened.

Gold stocks have held up in a topsy turvy securities market as have few other stocks. Now with Great Britain and India off the gold basis and the British pound sterling selling way below par concern has been expressed as to the future position of gold and the gold stocks. The Standard Stock & Mining Exchange, Toronto, the principal mining exchange in Canada, pegged prices of the stocks traded on its exchange, at not less than Saturday's close. New York exchanges on the other hand took no such steps with the result that many of Canada's leading gold stocks sold at prices, which established new lows for many months past.

Coincident with the depreciation of the pound sterling, Canadian funds too sold at a new high discount in New York. The immediate effect of this discount was to place the Canadian gold producers in a preferred position since all gold shipments are settled on the basis of New York funds. If the gold is shipped direct to New York settlement is made in New York funds, which now command a premium. At the present time this premium amounts to about ten per cent which means that gold shippers are making an additional profit of ten per cent. If the gold is shipped to the Royal mint at Ottawa as is the case at the present time, under instructions from Ottawa, then the producers are paid at the current rate plus the prevailing New York exchange, but less the extra express charges to New York.

Profit Increased 30 Per Cent

Just what this premium amounts to in a typical case with Canadian funds at a discount of ten per cent in New York may be seen by the following: In the last fiscal year one of the leading mines had a gross production of gold valued at $4,633,323. Net profits were $1,293,484, of which $798,000 were distributed as dividends. Had the current rate of a premium on New York funds prevailed throughout the entire past year, the net profits would have been increased to approximately $1,756,816 or an actual increase in net profits of over 35 per cent. In the case of Canadian mining companies which are listed on the New York Exchange and which are paying dividends, the picture is not quite so attractive, since one of the rules of the New York exchange is that all dividends must be payable in New York funds. In the case cited, dividends paid amounted to $798,000 annually, the exchange on which at current rates would amount to $79,800, thereby reducing the net increase in profits on account of the exchange to about 30 per cent.

Debasement of Gold Mooted

The price of gold for monetary and commodity requirements is internationally fixed at $20.67 per fine ounce. Since this is an arbitrary valuation established as a basis for the gold standard, any revision downward would obviously have an unfavorable effect on the gold producers. Even if Great Britain or other leading powers should remain off the gold standard it does not necessarily follow that the value of an ounce of gold would become debased. During the World War before existence of the Gold Redemption Act, which was passed in 1923, the pound sterling sold at higher discounts than today without threatening the value of gold.

The annual rate of gold production has been declining since the peak production of 22,718,154 ounces was reached in 1915. Of the total world production a large part is used for commodity purposes. While gold production has been declining there has been an increasing demand for it, due to increased commercial relations, resulting in an insufficient amount for monetary needs.

In a recent issue of The Wall Street Journal an editorial comment referred to gold production as the depression-proof industry, which production can be made the impetus to turn the tide upward, and in this respect Canada is on a sound basis with a gold production which promises in 1931 to be 30 per cent in advance of the production in 1930.

Asbestos Shipments Held at Low Level

From Our Own Correspondent

MONTREAL.—Shipments of asbestos from Thetford, Black Lake and district, continue at a low level, a situation which finds direct reflection in activity of Asbestos Corp. August shipments showed declines from figures for the same month last year, though there was a small increase in shipments of shorts in bags, as compared with July of this year.

Shipments of crude No. 1 in August were unchanged at 21 tons compared with August last year, but were lower by 15 tons in comparison with July, 1931. Fibre shipments at 3,659 tons declined from 4,383 tons in July, and compared with 5,537 tons in August, 1930.

Shorts in bags totalled 4,778 tons, an increase of 400 tons over July. Shipments in August, 1930, however, were 6,104 tons. Refuse in bulk amounted to 71 tons; this was the first shipment to be made since April.

Kirkland Lake Gold Position Interesting Rapid Rise in Profits

Rich Ore on Deep Levels Now Being Blocked Out

MILL INCREASE SEEN

August Profit $26,500; a Rate Equivalent to Six Per Cent on Capitalization

Kirkland Lake Gold Mining, with a current production averaging $2,000 per day, and an operating profit for August amounting to $26,500 together with high grade ore being developed at a rapid rate, has reached the position where it can now consider increasing its capacity and taking its place with other profitable producers in the camp.

Early last year the company was hard pressed for ore while continuing its deep development programme. In a few months the picture has completely changed and not only has it been rewarded in its deep development campaign with high grade ore but its operations have been transformed to a profitable basis, which are currently equivalent to earnings of over $300,000 per year or a profit of 6 per cent on its outstanding capitalization. Based on present market price of the stock, earnings are equivalent to 10 per cent. Moreover the company has current assets totalling close to $400,000 and is thus well fortified for the future.

Is Deepest in Canada

This year shaft sinking has been continued from the 4,300 ft. to the 4,700 ft. horizon and is now the deepest gold mining operation in Canada, and doing much to help prove up the Kirkland Lake camp at depth. While carrying out this exploration programme the company has been obliged to complete duplicate exits and absorb expenses that will not be recurring. This work, ordered by the Ontario Department of Mines in the interests of safety involved driving into the Teck Hughes property, on its 3,600 ft. level, establishing a mutual rescue station and connecting with shafts. This bit of work was well executed. After driving 1,000 ft. over a circuitous route it broke into the Teck Hughes workings with an error of less than three feet. This feat is better understood when it is realized that the base line for this surveying was taken from the central shaft, thence down a winze to the south.

Just over a year ago the 3,875 foot level was opened up and gave the first real indication of what developments had in store. Here two veins were developed giving ore for a length of 700 ft., ranging from 3 to 33 feet in width, much of it high grade. Encouraged by the showing on this horizon, sinking was continued, which not only confirmed the theory of Dr. Tyrrell, the president of the company, as to the incoming porphyry, but also opened up high grade ore that has completely changed the outlook for the mine.

Is Favorable Zinc

Below this 3,850 ft. level, stations have been cut at 150 ft. intervals. On the 4,000, 4,150, 4,300 and 4,750 ft. horizons, cross cuts south to the vein resulted in each instance in high grade ore being found. No work has been done between 4,300 and 4,750 foot levels other than to cut stations at 4,450 and 4,600 ft.

Early work on the 4,000 foot level was not particularly encouraging, but subsequent development has shown a downward continuation of the rich ore encountered on the 3,850 foot level as has a limited amount of work on the 4,150, 4,300 and 4,750 foot levels.

The great incoming porphyry mass from the east, underlying the lamprophyre sill, continues in evidence. Officials believe this change in structure is responsible for the good ore now being found. It is estimated that if the mass continues to pitch westward at the present angle at a depth of approximately 4,700 ft. it will cut the western boundary of the company's property and make the entire length of the property east to west a distance of approximately 1,500 ft., a formation favorable to ore deposition. This length is greater than on the adjoining Teck Hughes property and all, with the exception of the area occupied by the dyke, which averages approximately 150 ft. in width, is a favorable ore zone.

While the mine making possibilities of the property have completely changed, below the 3,600 ft. level, the older workings have responded to developments in a surprising manner and are being gleaned of ore prior to starting stoping ore on the deep levels. Particularly is this true on the 2,725 ft. level, where an ore body 150 feet long was encountered in an off shoot of the main vein. Stoping above this level gave some excellent ore and exploration on the level below has proven that it continues at least 2,850 ft. horizon. Below this the shoot has not been explored.

Plans now are to block out ore from the 3,850 foot level to the 4,700 ft. level. A raise has been put through from the 4,300 ft. level to the upper workings providing the necessary duplicate outlet and ventilation. This raise was in a high grade ore through to the levels above. Officials thought it advisable to not attempt development work between the 4,300 and 4,750 ft. horizons until work on the low level had proven the most economical procedure to follow.

No definite estimate of the probable ore on these deep levels has been made, but representative assays taken to date are in many cases spectacular. As soon as the blocking out of ore is completed, attention is to be turned to its treatment.

At the present time the mill has a capacity of approximately 150 tons daily but with a relatively small expenditure, estimated not to exceed $50,000, the capacity can be increased to 250 tons daily.

Teck's Deep Programme

Current earnings as shown by the profit in August amounting to $26,500 gives some indication as to what may be expected when production really gets under way.

While Kirkland Lake operations are now the deepest in Canada, they are relatively shallow, considered in terms of operations elsewhere, and probable mining depths on the adjoining Teck Hughes property.

Teck Hughes, already down 3,600 ft., has started sinking to an objective of 6,700 ft., and states it is prepared to follow the ore to the lowest minable depth, probably 10,000 ft.

An interesting comparison is presenting itself between the adjoining properties, Teck Hughes and Kirkland Lake Gold. Teck is starting its new deep development programme below 3,600 ft. Kirkland Lake Gold has encountered excellent ore on the 3,875 ft. level and development work has proven it shown at a depth of 4,750 ft. Both properties have about the same length across the main break across the camp with Kirkland Lake slightly favored in this respect. Teck Hughes has 4,787,144 shares outstanding, while Kirkland Lake has 5,239,123 shares outstanding. Teck Hughes started production in 1917 and now has a new modern mining plant of 1,300 tons daily capacity and approximately $2,000,000 in its treasury. Kirkland Lake started production in 1919 and has a mill of 150 tons capacity and $400,000 in its treasury. Teck Hughes is selling around $6.00 per share, paying 60 cents in dividends and Kirkland Lake is selling around 60c per share and paying no dividends.

Two Canadian Stocks Seen as Best Mines

Standard Statistics, an American security service, discussing the position of the mining and smelting stocks, states that "Impetus for sustained higher quotations during the near term future is lacking." The service finds little to attract it to any of the American mine or smelter issues. It mentions only two issues that it finds attractive; these are both Canadian stocks.

International Nickel it considers the premier issue in the group. For representation in the mining industry McIntyre Porcupine "provides the most favorable medium," says the service.

CAN. HOMESTAKE HAS OPTIONED GOLD PROSPECT

Property in Sapawe Lake Area Prospected Years Ago to Be Given Further Chance

The latest American mining enterprise to display interest in Ontario gold possibilities is the Canadian Homestake Exploration Co., a subsidiary of the Homestake Gold Mines of South Dakota.

Through the activities of its local manager, Henry Hanson, and its geologist, J. A. Noble, an option has been acquired from the Burgar Prospectors Synd. on a property known as the W. N. 5, on Reserve Island, in the Seine River gold belt, Sapawe Lake area, north western Ontario. The property first attracted attention nearly 40 years ago and received preliminary development by an English company. Later the property fell into the hands of the Bank of Montreal from whom it was purchased by the Burgar Syndicate.

The Canadian Homestake Exploration Co. which has optioned the property has agreed to spend between $7,000 and $10,000 on preliminary work and already have 12 men on the property. Diamond drilling is to be done and testpits are to be sunk.

The vein is reported to be well defined of the fissure type, varying in width from one to several feet showing quartz impregnated with sulphides which yields high gold values.

In years gone by some of the richest ore of the Seine River area came from this vein.

Ore Receipts at Trail

Following is a statement of the ore received at the Trail smelter for the period Sept. 8 to Sept 14, inclusive, and for the year to date:

	Period	1931 to date
Bell, Beaverdell	..	1,384
Butcher Boy, Carmi	..	33
J. A. Carter, Zwicky	..	9
Catherine, Nelson	..	16
Copper Basin, Princeton	..	21
Highland Lass, Beaverdell	..	151
Knob Hill, Republic	..	549
Little Daisy, Silverton	..	2
Midnight, Rossland	..	65
O'Brien, Cobalt	..	339
Planet, Nicola	..	105
Redmond, Republic	..	38
Ruth, Sandon	..	163
Sally, Beaverdell	..	111
Silver King, Tulameen	..	27
Silversmith, Sandon	..	153
Union, Lynch Creek	..	1,192
Wellington, Beaverdell	51	503
Wilcox, Ymir	..	48
	51	4,912

Total custom ore, week	51
Total company ore, week	6,521
Grand total, week	6,572
Total custom ore, yr. to date	4,912
Total com'y ore, yr. to date	319,793
Grand total, year to date	324,705

NICKEL CURTAILS MINING OPERATION WHILE SALES FAIR

Reports For First 6 Mos. Shows Mining on Par With Record Year

Officials of International Nickel state that production in August continued at about the same rate as the previous months of the current year, and that only now is the restricted production, announced several weeks ago, being brought into force.

The Ontario Government report of nickel-copper production for the six months ended June 30 last, indicates the amount of ore raised and treated in the second quarter actually exceeded that in the first three months of the present year, and was equivalent to the average rate maintained throughout 1930. The matte produced in the second quarter is shown at 27,662 tons as compared with 30,986 tons in the first quarter; likewise there is a slight decline in the copper and nickel content of this matte. The converted copper, however, was 18,525 tons in the second quarter as compared with 13,178 in the first quarter and a corresponding increase in value. While the primary operations of the company in mining and smelting nickel-copper ore were, in 1930, the greatest in its history, the first two quarters of the current year closely approached this rate.

Refined Nickel Declines

The production of refined nickel shows a substantial decline and in the second quarter the matte refined in Canada amounted to 24,694 tons as compared with 30,368 tons in the first quarter, and as compared with 137,364 tons throughout 1930.

The new No. 1 section of the plant at Copper Cliff is now nearing completion and in the near future the separating of the copper-nickel matte will take place at Copper Cliff rather than at Port Colborne as has been done in the past. At the present time Port Colborne is operating and piling up nickel sulphides preparatory to suspending operations and moving certain parts of the old plant and consolidating them with the new section at Copper Cliff. After the first of the year it is expected that the new No. 1 plant will be in operation at Copper Cliff, which will permit of the copper-nickel matte being treated at the site of production and the resultant blister copper refined by the adjacent Ontario Refining Co. while the nickel sulphides will be refined as in the past at the nickel refinery at Port Colborne.

Sales Keep Up

While mining, concentrating and smelting operations are to be reduced to about one-third below the average maintained in the previous months of the current year, it is understood that current nickel sales have been on a par with that enjoyed in the previous months of the year; but that the reduced primary operations will be adequate to take care of the current demand.

New Use For Nickel

As an example of the diversified use nickel is being put to and the new markets that are being created for it, the production of steel pipes of high nickel content, promises a extensive outlet.

The Martin Steel Company, of Dusseldorf, Germany, has perfected and is manufacturing steel pipe for high-pressure work, which in sizes up to 10 and 12 in. in diameter is guaranteed for a working pressure of 15,000 pounds and smaller sizes to a much greater pressure. This high-pressure pipe is opening up new fields and new markets where high-pressure occurs and has made possible the development, by German engineers, of the new high-pressure gas distributing system.

MAYLAND REPORTS $136,538 PROFIT IN 25 MO. PERIOD

Liabilities of $133,259 Due Imperial Oil for Drilling Expenses

Annual report of the Mayland Oil Co. for the period ending June 30 last, shows a net profit after all write-offs of $136,538, equivalent to 14 cents per share on the stock outstanding.

The income and surplus account is the first published and covers the 25 months period from June 1, 1929 to June 30, 1931. In this period revenue from the sale of 115,595 barrels of discolored naphtha sold, was $355,450, to which is added sales of gas, gas consumed and naphtha inventory, bringing the total operating income to $360,667. Miscellaneous income totals $14,606 making the total income of $375,213. Production expenses were $46,172, and royalties, principally to the Calgary and Edmonton Corp. were $44,411. Administration and general expenses totalled $28,936 leaving a net operating profit of $255,744, which after depreciation and write-offs of $119,206, left a net profit of $136,538.

The company owns leases on approximately 560 acres in Turner Valley, Alberta, on which five wells have been drilled and one well located ready for drilling. Four wells are producing and one has been abandoned. Initial production started in April, 1930, when the No. 1 well blew in. Current production, averaging 9,000 barrels per month, which will be subject to restrictions under the conservation schedule planned.

Of the 980,000 $1 par value shares outstanding, 500,000 are held by the Royalite Oil Co., a subsidiary of the Imperial Oil.

The balance sheet as at June 1, 1931, showed current assets of $4,124 including $2,087 cash. Current liabilities totalled $137,430 including $133,259 owing the Imperial Oil for drilling expenses, to be paid for out of production.

Eldorado is Secretive Say Visiting Engineers

Surprising Attitude Toward Profession Breeds Scepticism When Examination of New Find Not Permitted

Shareholders of Eldorado Gold Mines are expressing the opinion that it is imperative that officials provide them with a detailed report by a reliable engineer so that they may judge for themselves the possibilities of the property.

The finds reported at its holdings at Great Bear Lake, Northwest Territories, have been responsible for a mining rush into the area. Outstanding mining engineers and prospectors making the long journey into the district this summer to inspect it are now returning after covering 2,500 miles by airplane. They are bringing with them the first technical reports on Canada's newest mining area, but also surprising tales of difficulties being thrown in their way by Eldorado Gold Mine officials when they desired to view the new find.

While it is the privilege of Eldorado officials to permit only those whom they wish to make an examination of their find, the unusual policy of excluding outstanding engineers and technical men from the privilege of personally inspecting the finds reported has given a bad impression in view of the glowing reports circulated.

Mining Men Are Nettled

Throughout the annals of mining in Canada it has been the prevailing custom for mining companies to entertain engineers of recognized standing and to allow them free access to their developments. Especially would such an attitude be expected from Eldorado officials since the few visitors came hundreds of miles, principally by airplanes, over a desolate, uninhabited area and Eldorado is the only established camp in the district. It is not surprising that mining men of renown, who have visited camps all over the world, should feel nettled at not being able to witness and judge for themselves the great new find which has received so much publicity.

Such an exception to the frankness and freedom usually found within the mining fraternity has inevitably provoked skepticism regarding the potentialities of the property. Outstanding mining men feel that if Eldorado's finds are capable of measuring up to the reports circulated, no harm could come by having them witnessed and verified by men capable of making intelligent reports.

At the head office of Eldorado, in Toronto, all knowledge is denied concerning the reported action of officials at the property.

Eldorado's policy of exclusion has not been directed at any one engineer and therefore cannot be considered as a personal matter. It is the general attitude toward the profession which is complained about.

Adjoining claims on all sides of Eldorado have been staked so that it cannot be said that the refusal to permit inspection was dictated by a desire to prevent rivals forestalling the acquisition of nearby properties.

Noranda's Operations Continue Profitable

High-grade Ore Developed in Westerly End of "H" — Body-Sinking Continues to 2,500 ft. Objective

Officials of Noranda Mines have issued an interim report on operations at the property that shows the progress that has been made in development at depth, and the fortunate position the company is in, being one of the few copper producers on the continent that is able to show a profit on operations in the face of adverse copper prices.

Make Rich Find

"Exploration work at the mine since the annual meeting has been entirely confined to previously discovered ore bodies with the object of determining the size and grade of same. No deep diamond drilling has been performed during such period.

"The westerly end of 'H' ore body between the 100 and 400 ft. levels is being explored by diamond drilling and raising, and in this section which was formerly thought to be too low grade to make ore, work performed to date has indicated approximately 60,000 tons of ore averaging something over $35 per ton in gold and 2.4 per cent copper.

The body of silicious fluxing ore discovered east of the main diabase dyke and partly explored several years ago, then designated as 'G' ore body, is being further explored by diamond drilling from the surface. The work done so far on this body has indicated approximately 750,000 tons of fluxing ore, which will average something over $4 per ton in gold. This ore runs high in silica and is now the largest body of flux discovered up to the present time.

Plan Much Work

"It has been decided to sink shafts numbered 3 and 4 a further 500 ft., or to a depth of 2,500 ft. No 3 shaft, which is now being sunk is at an approximate depth of 2,275 ft. When No. 3 shaft reaches the 2,500 ft. level, the sinking of No. 4 shaft will commence and then the two shafts will be connected by lateral work. No. 3 shaft has been in sulphides from 1,600 ft. downwards and cross-cuts at the shaft on the 1,750 ft. and 2,000 ft. levels show a width of 245 ft. and 295 ft. respectively with the grade somewhat higher on the bottom level.

"New hoisting equipment at No. 4 shaft will be installed capable of hoisting from a depth of 4,200 ft. but it is not the intention to sink this shaft to this ultimate depth immediately.

Precious Metals Exceed $5,000,000

"Precious metal production is keeping up at an approximate rate of $5,000,000 per year. The sinking of Nos. 3 and 4 shafts to a depth of 2,500 ft. is with the object of being in a position to maintain such precious metal production for some time in the future. The precious metals produced have been shipped in practically in entirety to England but the new parting plant is now operating at Montreal East and in the course of a week or two the gold will be shipped to Ottawa and silver sold in the world markets.

"The copper sales position of the company in the opinion of the board is very satisfactory. Even under the present metal markets a substantial profit is being made carrying on the policy of aggressive development of the mine and following the practice of conservative write-offs."

Production from the Noranda Mines for August shows a considerable drop in the value of gold output below the average of the first six months of the current year. Copper production in August amounted to approximately 5,150,000 pounds and associated with it $300,000 in gold.

This compares with an average production for the first six months of the current year of 5,300,000 pounds of copper and $420,000 in gold. Production is being maintained at an average daily rate of approximately 2,500 tons of ore.

MOSS GOLD SHAFT NEARS OBJECTIVE NEW VEIN FOUND

Completion of New Road Will Hasten Mill Construction

An interim progress report by Moss Gold Mines says shaft deepening below the 375-ft. level is currently at a depth of 680 ft., while it is expected that the immediate objective of 775 ft. will be reached within three weeks' time.

The report says that recently shaft sinking encountered 12 ft. of well mineralized quartz. This new vein system lies about 100 ft. south of the No. 1 vein and practically parallels it. Crosscutting on the 500-ft. level intersected the No. 1 vein, which indicated progressively increased size as greater depth was attained. In the 25 ft. of this vein, so far opened up on the 500-ft. level, it ranges from 6 to 8½ ft. in width with ore typical of that encountered in the same vein on the level immediately above. One ore shoot on the upper level averaged $21 to the ton, is over three ft. width, and is regarded as being directly related to the showings on the 500-ft. level.

The new road which has held up the construction of the mill is expected to be completed in a few days. This road will accommodate heavy duty trucks and provide transportation facilities to the property at all seasons of the year.

The report says that mill construction, which has been retarded for lack of transportation facilities, now has the superstructure erected and that foundations have been prepared for the installation machinery as soon as the delivery is affected over the new road.

New Company Formed To Explore New Area

Advice from Edmonton states that a new company known as the MacKenzie Basin Synd., has been formed for the purpose of prospecting in the Great Bear Lake area. The management committee of the syndicate includes Thomas N. Ramsay, B. Becker and H. Gyde, all of Edmonton. Head office of the company is McLeod Building, Edmonton.

O'Brien Cadil'c Will Build Mill During Winter

The Financial Post is reliably informed that the O'Brien mine developing a gold property in Cadillac Township, Quebec, plans building a 50-ton mill this coming winter.

Operations have been carried on in this property for the past three years and several shipments of high-grade gold ore have been made. A shaft has been sunk and a level established at 100 ft. depth, while stoping on a high-grade shoot in the No. 4 vein has been done.

The decision of the O'Brien officials to construct a new mill in this area is of the greatest importance as owners of several prospects with promising showings have been watching the O'Brien developments before proceeding further with development.

Cadillac township is about 30 miles east of the Rouyn township in which Noranda and Granada Gold Mines is located. It is reached by a water route from Amos 40 miles north and east on the trans-Canada section of the Canadian National Railways.

O'Brien is a private corporation and very little information regarding its operations is made public. Some time ago it was reported an official referred to the potential ore above the 100-ft. level as having an indicated value of $1,000,000 and the fact that the company has now decided to proceed with a 50-ton mill indicates how well the property is proving up.

Welsh Coal By Churchill To Be Tried at Flin Flon

The reports from Regina state that R. E. Phelan, general manager of the Hudson Bay Mining & Smelting Co. at Flin Flon, has announced that his company will make use of the new port of Churchill on the Hudson Bay for testing the importation of its coal requirements. The importation of a trial shipment of Welsh coal by the Churchill route is understood to be only in the nature of a test since at the present time, Alberta coal is being used. It is understood that the railways are giving a rate that will offer stiff competition to Welsh coal even when a favorable ocean rate by way of Churchill route is offered.

C. & E. REPORT SHOWS PROFITS TOTAL $85,143

Chief Revenue From Sale of Oil Rights; Future Threatened By Conservation Step

Annual report for the Calgary & Edmonton Corp. for the year ended June 30 last, shows a net income from investments of $8,444 as compared with $5,470 in the 20 months ended June 30, 1930, while the realization account, including revenue from mining rights and royalties showing a net profit of $76,699, or a total net profit of $85,143, as compared with $121,514 in the 20 months period ended June 30, 1930.

The following is the income and surplus accounts as well as the realization accounts for the last year as compared with the previous 20 months period.

Income and Surplus Account

	Year ended June 30 1931 $	20 Mos. ended June 30 1930 $
Int. on bank bal.	706	6,062
Int. on invest., etc.	7,823	89
Total revenue	8,529	6,151
Less Int. paid	20	624
Dom. inc. tax	65	57
Surplus for period	8,444	5,470
Add: Prev. surplus	5,470	.....
Balance forward	13,914	5,470

Realization Account

Inc. from disposition of min. rgts. & minerals*	114,211	203,200
Less expenses:		
Manage. & salaries	18,460	28,172
Directors' fees	4,208	7,500
Travelling exp.	1,504	3,351
Inspection exp.	1,342	2,475
Legal chgs.	5,630	8,609
Stationary, etc.	1,711	3,667
Office sundries	143	150
Tel. & telegraph	180	1,219
Office rent	840	1,400
Mineral taxes	853	2,107
Sundry charges	285	4,285
Spec. exp. (listing stk.)	...	1,414
Organ. exp.	...	22,057
Registration of corp.	...	750
Transfer agents fees	2,356	....
Profit for period	76,699	116,044
Add: Prev. surplus	116,044	....
Balance forward	192,743	116,044

*Includes $87,485 in 1931, $9,429 and in 1930 received or due as royalties.

Earnings per Share†	$0.035	$0.05

No dividends have been paid.

†Based on the total profit of income and surplus account and realization account.

Shares Outstanding at End of Periods:

Common, n.p.v.	2,415,100	2,414,050

Seven Producers Come In

During the past year 14 drilling operations were conducted on the corporation's land resulting in seven producing wells being brought in, two wells abandoned and one well awaiting decision as to future, while four wells are still drilling.

The corporation now has a total of 11 producing wells on its lands in Turner Valley and production for the period under review is shown at 219,618 barrels producing a royalty of $87,451 as compared with a production of 197,078 barrels in the previous year.

The total land leased under option during the past year was 3,748 acres bringing the total area under lease to 46,000 acres.

The balance sheet as at June 30, 1931, shows current assets of $240,215, including $231,894 of Dominion of Canada bonds. Current liabilities total $17,500, leaving a net working capital of $222,715.

The report calls attention to the Alberta Government's decision to restrict the open flow of wells, and express anxiety as to the general application of government regulation, which is expected to materially reduce the company's revenue from royalties.

The annual meeting of the company is called for October 26 in Winnipeg.

Metal Prices

New York—September 22—
Copper: Electrolytic spot, 7 to 7¼c. lb.
London—September 22—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £37.
Standard spot, £31 2s 6d.; future, £32.
Tin: Spot, £118 12s 6d.; future, £121 10s.
Lead: Spot, £12 17s 6d.; future, £13, 2s 6d.
Zinc: Spot, £12 10s; future, £12 17s 6d.
Silver: 15⅝d. per ounce.

Saskatchewan Builds Road to Amisk Lake

The Province of Saskatchewan is constructing a road from Flin Flon to Amisk Lake, just west and south of Flin Flon. The supervisor of mines for the province advised The Financial Post that this work is being undertaken to assist all the claim owners in that vicinity, particularly the Amisk Lake Gold Syndicate, which has announced its intention of building a mill to treat the gold ore developed on its property, when a road makes it accessible.

Amisk Lake Syndicate is controlled by London, England, interests and its decision to construct a mill will be the first gold mining operation in the province.

FORT NORMAN OIL POSSIBLE SOURCE GREAT BEAR FUEL

At Small Expense Refinery Providing Gasoline for Airplanes Possible

The mineral possibilities of the Great Bear Lake area, Northwest Territories, now receiving attention, carries with it the possibilities of utilizing crude oil, discovered at Fort Norman a decade ago.

One of the problems evolved in the development of the area is an adequate and economical fuel supply for both motor boats and airplanes. At the present time gasoline sells as high as $2 per gallon and more often is not procurable. The principal transportation to the area is by airplane which necessitates an unusually large fuel supply for return journey thus restricting the extent of the pay load. With one of the largest airplanes in the world being placed in service in this area about December 1, by the Canadian Airways, the problem of adequate fuel in the area becomes more evident.

The first well in the Fort Norman area was drilled in 1920 by Imperial Oil and production of about 100 barrels daily was encountered at a depth of 991 ft. Altogether six wells were drilled in the vicinity of Fort Norman. With the exception of another well drilled in 1925 to a depth of 1,601 ft., all were abandoned.

These wells have a flow estimated at 200 barrels of crude, a market of around 30 deg. Baume, but have been shut in pending.

A couple of years ago the Hudson Bay Co., maintaining a post at Fort Norman, was in negotiation with Imperial Oil concerning taking production from these wells and installing a small skimming plant or refinery. Plans were drawn up for such a plant which would be quite simple and inexpensive but owing to the potential market then prevailing no action was taken.

Fort Norman is located at the confluence of the Great Bear and the MacKenzie Rivers and forms the Mackenzie Rivers. The Great Bear River is the outlet from the lake.

CANADIAN ENTERPRISES LIMITED
Developing Gold Properties
Keefer Bldg. — Montreal

We Recommend the Purchase of
Lake Shore Hollinger
McIntyre Teck Hughes
Dome Sylvanite
Wright-Hargreaves
Write for latest information.
G. W. Nicholson & Co.
Members
Standard Stock & Mining Exchange
302 Bay Street Toronto
Elgin 5317

MINING SECURITIES
Listed and Unlisted
Waverley 1633
J. E. Grasett & Co.
Members
Standard Stock & Mining Exchange
302 Bay Street, Toronto

MOSS GOLD MINES
Send for our Special Circular covering this Interesting Speculation
F. W. MACDONALD & CO.
Members
Standard Stock & Mining Exchange
159 Craig St. W. MONTREAL Ma. 7785-4121
38 King St. W. TORONTO Elgin 6255
Wire connections to all principal markets

WE SPECIALIZE IN BRITISH COLUMBIA MINING STOCKS
Buying and Selling orders promptly executed on the exchange
THOS. STEELE & SON LIMITED
Stock and Bond Brokers
Main Floor, Rogers Bldg., Vancouver
Members Vancouver Stock Exchange

Doherty Roadhouse & Co.
MEMBERS
STANDARD STOCK & MINING EXCHANGE
Mining Securities
170 Bay Street Toronto
Royal Bank Bldg. Montreal
HAMILTON BRANTFORD ST. CATHARINES

Thirteenth Annual Pulp and Paper Supplement

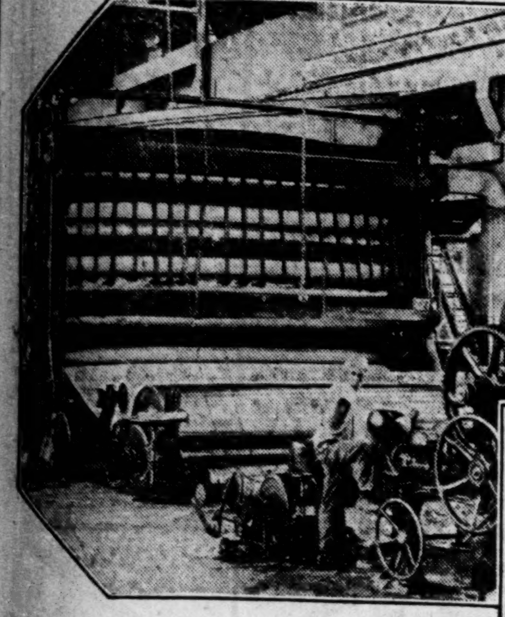
THIRD SECTION

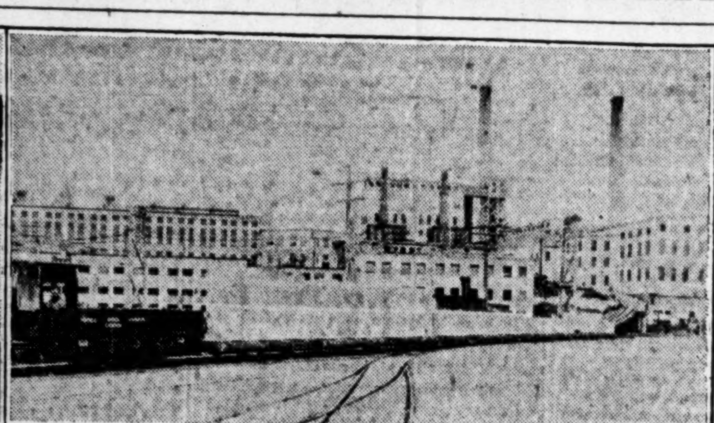
THE FINANCIAL POST

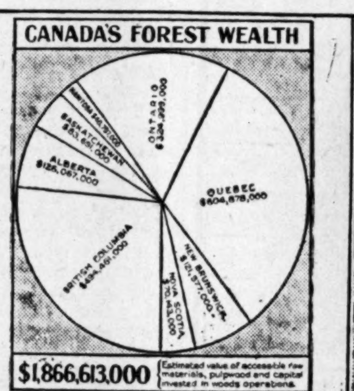
THIRD SECTION

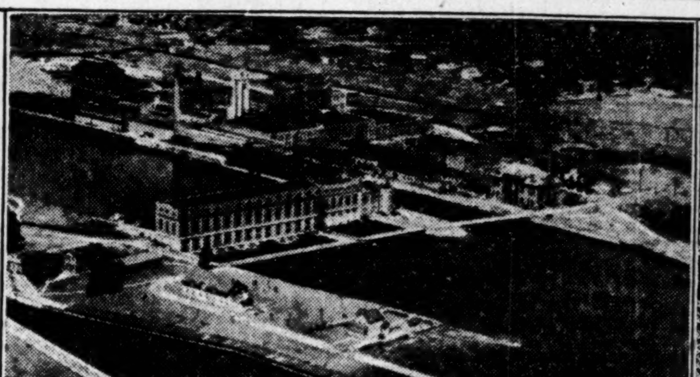
Vol. XXIV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 26, 1931 10c a Copy; $5.00 a Year No. 39

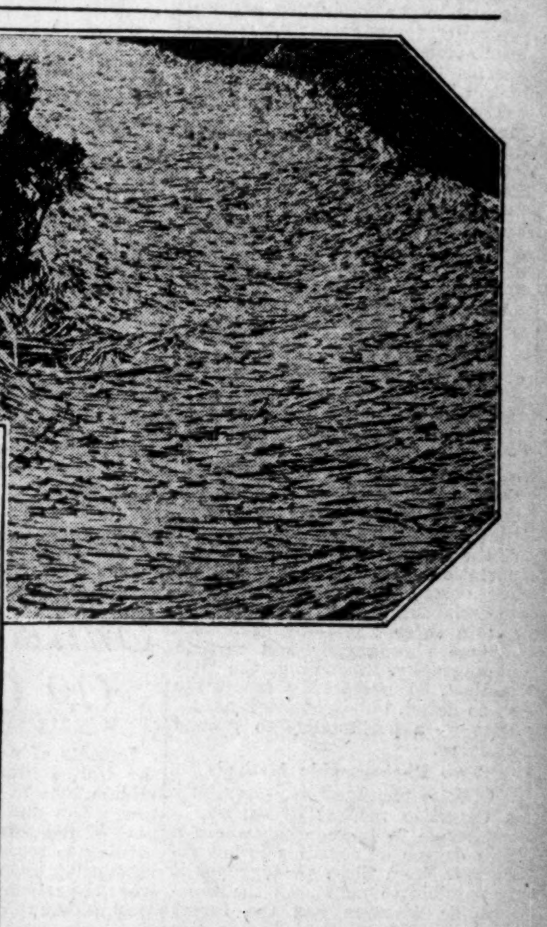
PULP AND PAPER INDUSTRY ENTERS REHABILITATION PERIOD

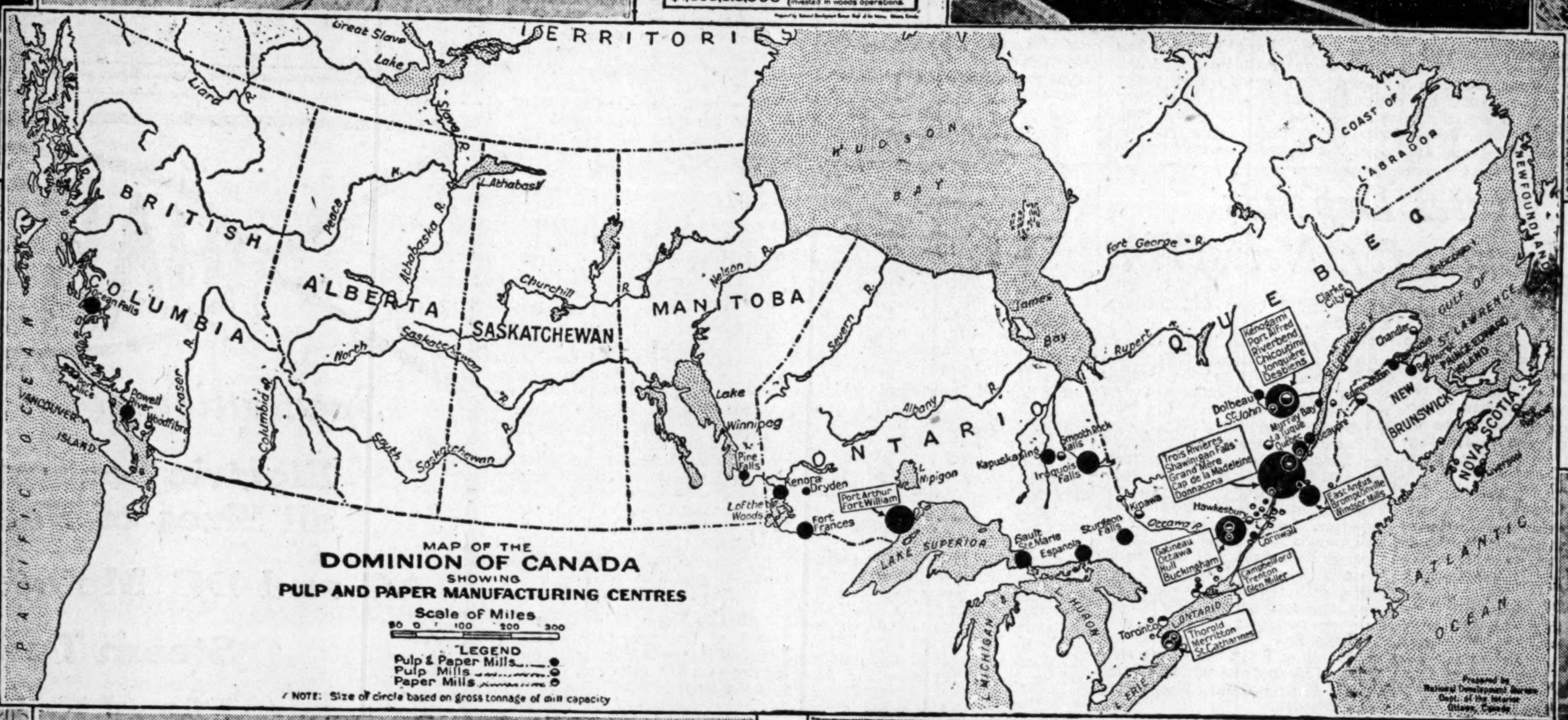


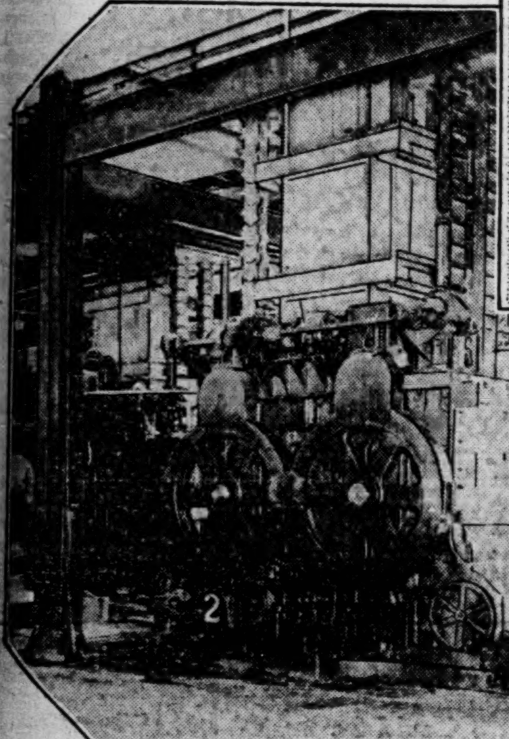


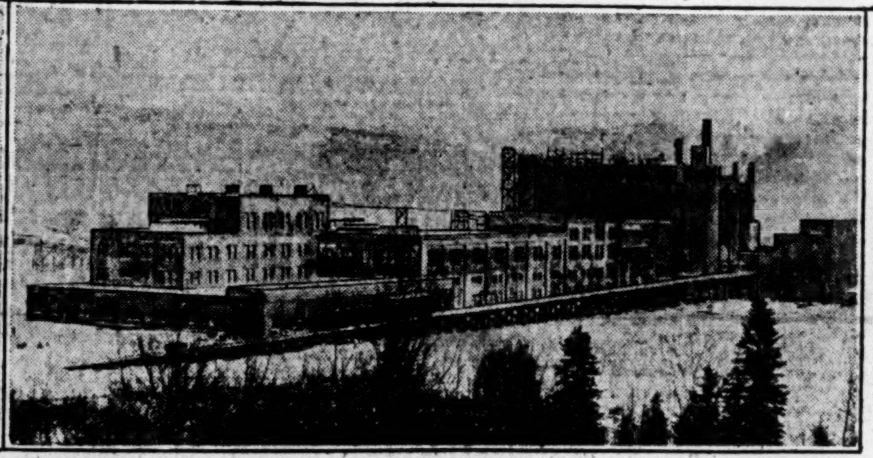


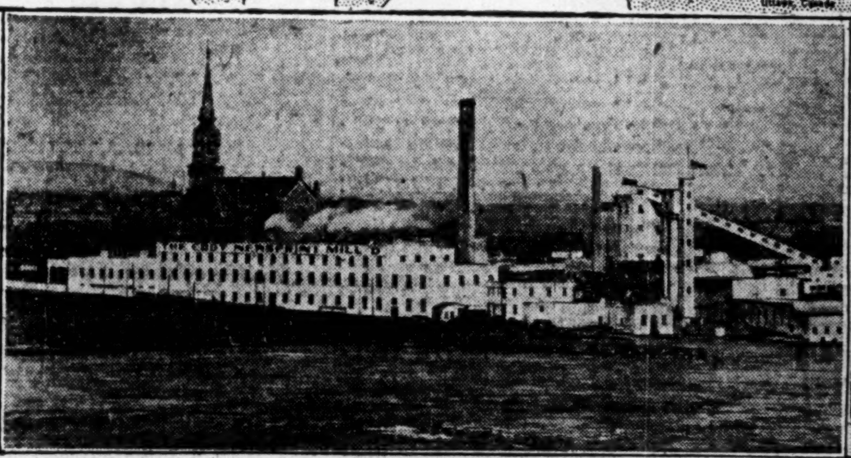












The Canadian pulp and paper industry in map, chart and photo. Reading from left to right the upper row of photos shows: Newsprint paper coming off the machine; a view of the Powell River Company plant in British Columbia; an airplane view of the Abitibi mill at Sault Ste. Marie, formerly one of the Spanish River mills; and a river of pulpwood in New Brunswick.

The lower row of photos shows: a modern type of pulpwood grinder; the newly completed Fraser pulp mill at Athol, N.B.; the newsprint mill of the E. B. Eddy Company at Hull, P.Q.; and the Manitoba Paper Company mill, at Pine Falls, Man.

Period of Rehabilitation Lies Ahead of Producers In Pulp and Paper Industry

Financial Returns for Current Year's Operations Will Not Show Any Material Improvement Over 1930 Returns

SIGNS INDICATE STEADYING DOWN

Development of Strong Managements, Sounder Policies and Lower Costs, Are Few of the Problems to be Worked on by Industry Over the Next Few Years

No other Canadian industry has been faced with the problems encountered by the pulp and paper industry over the past two years. It has been, and still is, a trying time for all connected with this branch of economic endeavor.

Production has been kept at a high level, but paradoxically nearly all of the operators are in financial straits. It has not been a question of selling the product below cost, but simply a matter of having too great machine installation and consequent burdening of capitalization.

Only a few years back Canadian newsprint manufacturers were operating their plants within a small fraction of capacity. Demand was consistent and then selling price of paper, enabled the companies to report satisfactory profits. Pulp and paper securities were in favor with the investing public and the future looked especially rosy.

Fell on Evil Days

But the prosperity of the industry was a magnet for the promoter. It inspired provincial governments to dispose of timberlands on a wholesale scale in order to establish other plants. Even executives within the industry were borne away by their own enthusiasm and went ahead adding to mill capacity.

The inevitable result followed. Demand kept mounting until last year, but productive facilities increased at a greater rate, so that there was less and less business available per machine. The situation grew acute in 1930 and reached a climax this year, with plant operations on a scale slightly in excess of 50 per cent of capacity.

Overhead Charges Problem

With a knowledge of the huge capital investment necessary to establish a newsprint plant, it is not difficult to appreciate the fact that half-time operations, have made it particularly difficult for the companies to meet overhead charges. The situation has been further complicated in that plant establishment or enlargement was carried out at a time when costs were high and financing done on a generous scale. The result has been that many of the companies are over-capitalized in relation to their earning power under normal conditions.

Various steps have been taken over the last two or more years to remedy matters. The Newsprint Institute of Canada was formed, at the instigation of the Ontario and Quebec Governments, to distribute the business offering on a pro rata basis. This plan has not been altogether satisfactory.

Cut Operating Expenses

The greatest progress, however, has been made in reducing operating expenses. In times of capacity operations and newsprint at $60 a ton or better, little effort was made to put operations on a scientific, low-cost basis. It was not necessary, as the very substantial earning power of the companies enabled them to carry on woods or mill operations, on a basis that would not be tolerated today.

The economies effected both in the woods and in the mill have been substantial. In some cases, the cut in newsprint prices has been more than offset by decreased costs.

Tighten Up Operations

While economies have been a prime consideration, the managements of the different companies have been going over their organizations with a view to further consolidation. The tightening up thus resulting has been of inestimable value to the industry, though, in some instances, it has come too late.

There is uncertainty regarding the outlook for the near future. The situation is still far from pleasing, but it is admitted that considerable progress has been made toward putting the industry on its feet.

Reorganizations have taken place and others are pending. From the corporate point of view further consolidation or mergers are a possibility, but unlikely. What changes may come over the next year are expected to be along the lines of cutting down capitalization to more closely approximate the true values of the assets held and earning power of the property.

Leadership is Essential

By far the most important factor bearing upon the welfare of the industry, is the matter of management.

In the past there have been numerous mistakes. Some were due to governmental interference. Others to the greed of promoters. In the main, however, the lack of leadership within the industry itself has been responsible for much of the present unsettlement in the industry.

Considering the fact that the industry represents a capital investment approximating $650,000,000, it is unusual that more men of executive calibre have not been attracted to it. There are many excellent operators, but men of the type needed to maintain public relations and establish policies have been few and far between.

Relations With Publishers

Relations with the publishers have been far from satisfactory in the past and, even today, are not of the best. The past has witnessed many high-handed actions by the manufacturers toward the publishers, whose needs or problems have only too often been overlooked.

It must be admitted, however, that the manufacturers have, gen-

(Continued on page 22

Industry Employs Small Army of Men

Over 33,000 Canadians are directly dependent upon the pulp and paper industry for their livelihood. The latest returns of the Federal Government show that 33,584 men and women were given employment in the industry, and the amount paid out in salaries and wages totalled $50,214,000.

Quebec has the largest number of pulp and paper workers with 17,244 to whom salaries and wages totalling $25,933,000 were paid in 1929. Ontario follows with 11,023 workers, who receive $16,466,000; British Columbia with 3,077 employees, receiving $5,068,000; New Brunswick and Manitoba combined with 1,917 workers, to whom $2,436,000 is paid, and Nova Scotia with 323 employees paid $308,000.

Per Capita Consumption Newsprint Shows Big Gain

Further growth of the Canadian newsprint industry depends largely upon an increase in demand from the United States. The remarkable growth over the past ten or fifteen years has been solely due to the increasing requirements of the American publishers, who now absorb between 85 and 90 per cent of the total Canadian production. Any change in the trend of newsprint consumption in that market, therefore, has an important bearing upon the fortunes of the Canadian industry.

Consumption of newsprint paper in the United States up to date has been on a basis highly favorable to Canada's newsprint industry. Records compiled by the Newsprint Service Bureau show that the per capita consumption in the United States of newsprint paper increased from 4 pounds in 1860 to 6 pounds in 1890. In the next ten years, the per capita consumption advanced to 16 pounds. From 1900 to 1920 consumption more than doubled, the per capita returns for the latter year being 42 pounds. Since that time there has been a further increase in consumption, the per capita returns of 1929 setting a new all-time record of 62 pounds. There was a drop of 4 pounds to 58 pounds per head in 1930. It is now expected that the per capita consumption figures for 1931 will show a further small decline.

The trend in newsprint paper consumption in the United States is well illustrated by the following returns, showing the per capita consumption between 1860 and 1930.

PER CAPITA CONSUMPTION NEWSPRINT PAPER
United States—Pounds

1860	4	1926	58
1890	6	1927	58
1900	16	1928	60
1910	25	1929	62
1920	42	1930	58
1923	50		

Distribution of Newsprint Shown by Balance Sheet

Supply of newsprint available in the United States, Canada and Newfoundland in 1930 aggregated 4,230,000 tons. Of this amount 134,000 tons represented imports from European countries, 23,000 tons decrease in publishers' stock, and 4,073,000 tons was domestic production.

The manner in which this large quantity of newsprint was distributed in 1930 is well illustrated by a "balance sheet" prepared by the Newsprint Service Bureau, which shows United States consumption at 3,563,000 tons and Canadian consumption at 190,000 tons. There was an increase in manufactured stocks of 25,000 tons. Of the balance Canadian overseas exports totalled 325,000 tons; Newfoundland overseas exports, 117,000 tons, and United States overseas exports, 10,000 tons.

The supply and distribution of North American newsprint in 1930 is more clearly shown in the subjoined "Balance Sheet":

NORTH AMERICAN NEWSPRINT
1930 BALANCE SHEET
(United States, Canada and Newfoundland)

Supply	Tons	Distribution	Tons
Production	4,073,000	U. S. Overseas exports	10,000
Overseas imports	134,000	Newfoundland overseas exp.	117,000
Dec. Publishers' stocks	23,000	Canadian overseas exports	325,000
		Increase mfrs. stocks	25,000
		Canadian consumption	190,000
		United States consumption	3,563,000
Total	4,230,000	Total	4,230,000

Plant Reconstruction Policy By Older Newsprint Mills Likely in Next Few Years

Limited Newsprint Machine Capacity Available for Profitable Operations at Present Price Levels

VALUE SET FOR FIVE YEAR PERIOD

Marked Betterment in Demand at Present Price Levels Would Make It Difficult for Canadian Manufacturers to Supply Trade Without Losing Money on Operations

On the assumption that no material change in the value or consumption of newsprint is to be expected in the next year or two, manufacturers are faced with the problem of holding their income to a point where capital charges will be covered.

The financial showing of the past year has made it clearly evident that Canadian newsprint companies are having a hard time keeping their heads above water. The falling off in demand for paper, lower prices, etc., have made it difficult to make both ends meet.

Lower Operating Costs

Managements concerned, however, have been doing their best to bring down operating costs—a field in which major savings have been and are being effected. To that end woods operations have been of very limited proportions. The majority of the companies have been "eating out of the woodpile," or have left their high-cost wood in the pile and purchased supplies from independent operators. The saving thus effected has been substantial and brought about a saving of several dollars per ton of newsprint produced.

Mill operations also have come in for consideration, though the savings in that direction have not been so spectacular, they have all contributed in enabling the operators to bring their paper costs down to a point, where even on present low prices, a fair profit can be made on the tonnage handled.

Too Much Machinery

Despite the splendid work that has been accomplished in cutting down costs, the companies are handicapped by having too much machinery. With mill operations around 50 per cent of capacity, it is apparent that the carrying charges on idle machinery are a heavy drag on the company's finances.

Just what this means is better appreciated by an examination of machine installations over the last six or seven years. At the beginning of 1924, Canadian mills had an installed newsprint machine capacity of 4,599 tons daily. By the first of the following year, the rating had advanced to 5,152 tons. There was a jump of nearly 1,700 tons daily in the next twenty-four months. A similar increase took place in the succeeding twelve months. By the end of 1928, machine installation totalled 9,897. Roughly 900 tons daily were added in 1929 and 1,200 tons in 1930. At present Canadian mills have an installed rating of 12,376 tons.

Capital Tied Up

With operations at slightly better than 50 per cent capacity, it means that operators are carrying approximately 6,000 tons of nonproductive machinery. On the basis of a capital value of $32,000 a ton, these machines represent an investment of $192,000,000. This does not include the capital invested in timber limits, water powers, logging equipment, etc., all necessary adjuncts to a self-contained newsprint unit.

A return of 6 per cent on capital invested can be considered as reasonable. On that basis, therefore, the Canadian newsprint companies are handicapped by paying a carrying charge on this idle equipment amounting to nearly $11,500,000 a year. This figure, of course, is only approximately, as many of the machines now lying idle were installed years ago when values were much lower than they are today.

Carry Heavy Burden

While the figure of $11,500,000 is open to dispute, the fact remains that the newsprint companies are burdened with this unproductive equipment, which represents the penalty that the industry has to pay for mistakes of the past ten years.

This brings up the question of what can the operators do to lighten this load, or will they have to continue as at present hoping for the day when demand will again take up the slack between demand and capacity?

Obsolescence No Respecter

At present selling prices and low percentage of operation, a considerable number of newsprint mills in Canada cannot be operated at a profit any more than they can in the United States. Obsolescence is no respecter of international boundaries.

In surveying the situation, therefore, conclusions should not be altogether swayed by statistics on operations. To state that Canadian newsprint mills operated at 51.3 per cent of capacity in August is true, but it is only true in the sense that the rated capacity represents potential capacity and not profitable capacity.

Output Too Costly

An analysis would show that at present newsprint prices, about half of the installed capacity can be profitably employed. Of course, even the most up-to-date equipment may not be profitable if the market makes possible only 50 per cent operation.

Then again—particularly in the United States—there are old mills very largely written off, whose owners are not burdened with heavy bond and preferred stock issues and whose management is personal, so that they can carry on operations on a scale at prices that make competition prohibitive for newer concerns.

While appreciating the difficulty of determining the actual capacity of Canadian newsprint mills—on the basis of profitable operations—it is logical to assume that a substantial proportion of the Canadian newsprint machines is obsolete at

(Continued on page 22

Big Chemical Bill Paid by Industry

Chemicals used in the manufacture of wood pulp in Canada approximate 550,000 tons per annum, having a value of nearly $8,500,000. Sulphur, limestone and lime are the three principal products used in the processing of pulpwood.

During 1929, the last year for which complete figures are available, the Canadian pulp industry used 176,724 tons of sulphur to the value of $4,275,000. Consumption of limestone totalled 181,851 tons, having a value of $588,000, while 106,374 tons of lime, worth $1,049,000, also were used.

In addition the industry uses large quantities of liquid chlorine, salt cake, common salt, soda ash, and other chemicals.

AERIAL SURVEY PROVES WORTH TO OPERATORS

Airplanes Aid Work of Pulp and Paper Companies

One of the most important features of post war aviation development in Canada has been the use of aircraft in the production and appraisal of forest resources, according to Roland D. Craig, Forest Resources Specialist of the Department of the Interior.

The vast forest areas in which means of transportation were slow, and laborious, but which nevertheless demanded adequate protection from fire, and from which information was required as to the available supplies of timber, provided a useful field for the employment of the trained airmen who had served with the Canadian Air Forces during the war.

First Realize Value

At the close of the war, the general public, still skeptical of the safety of flying, was not prepared to use this new means of transportation for ordinary civilian purposes. Forestors and surveyors, on the other hand, who knew the limitations and difficulties of travel in these remote regions, were among the first to realize the advantages of the airplane not only as a transportation medium, but as a medium for observing ground conditions.

Aerial forest surveys are conducted in three ways,—by sketching, oblique photography and vertical photography. Sketching, the first method, is necessarily inaccurate as to detail, but is of great assistance as a preliminary to ground cruising.

Two Photographic Methods

Oblique photography, essentially a Canadian method of survey, is applicable to large areas where a fine degree of accuracy is not required. From these photographs it is possible to map both the topographic features and the forest types for three miles on each side of the line of flight and from 360 to 600 square miles can be photographed in an hour, depending on the speed of the plane.

Vertical photography is more accurate than oblique, but it costs three times as much. Vertical photographs are usually taken from higher altitudes, 5,000 to 13,000 feet—and even higher—and the scale varies with the altitude and focal length of the camera.

Winter pictures, taken from airplanes equipped with skis, are better than summer pictures for forest mapping, because the conifers stand out in much greater contrast from deciduous trees and the shadows are longer and more distinct, enabling the measurement of tree heights with accuracy. Trees have characteristic crowns and when these characteristics are known, it will be almost as easy to recognize from above as from the sides.

Measure Tree Heights

Credit is given to a Canadian for developing a method of measuring tree heights from the shadows and vertical photographs, which is in daily use in forest mapping to distinguish young growth from merchantable timber. Comparing the height of the tree and the number per acre, it is possible for the surveyor to estimate the volume of timber per acre fairly accurately.

In the opinion of Mr. Craig, the time is not far distant when it will be possible to secure a better estimate of the timber stand from aerial photographic surveys, than is now being secured from the ordinary extensive ground cruise, where the cruising lines are run twenty chains or more apart.

Swedish Pulp and Paper Operations Record Decline

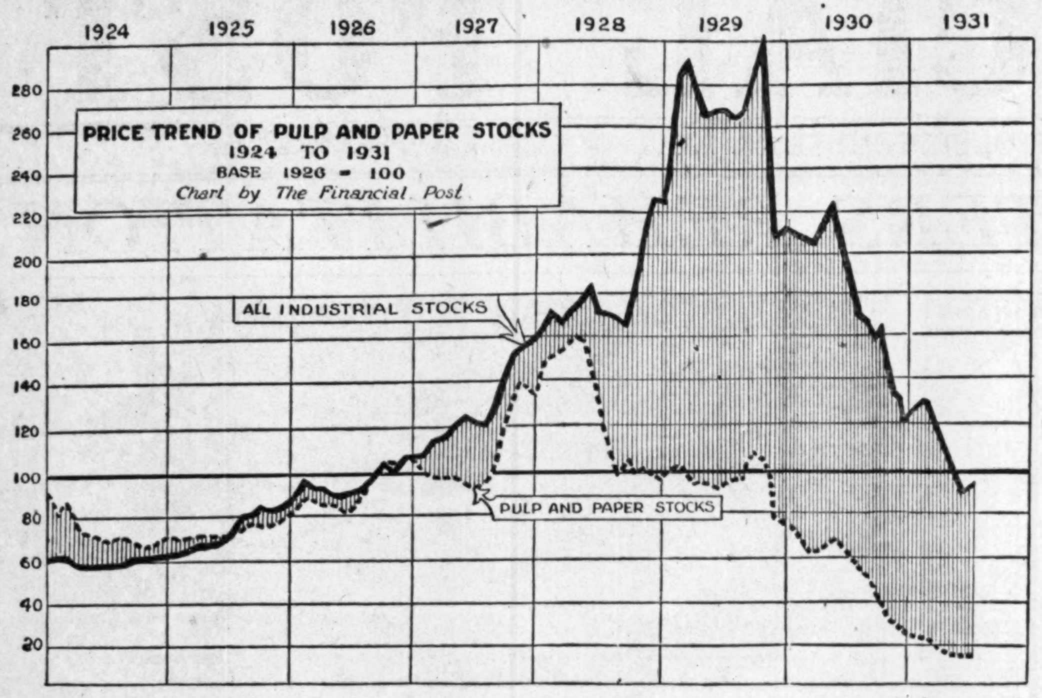
Production of newsprint in Sweden during 1930 totalled 395,000 tons, of which amount about 170,000 tons were exported, or from ten to 15 per cent less than the previous year.

Production of pulp totalled 1,850,000 tons, made up of 180,000 tons of bleached sulphite, 1,035,000 tons of unbleached sulphite and 635,000 tons of sulphate pulp. Exports totalled 1,440,000 tons, made up of 140,000 tons of bleached sulphite, 800,000 tons of unbleached sulphite and 500,000 tons of sulphate pulp.

About 25 per cent of the exported sulphite went to England and 40 per cent to the United States. Of the sulphate about two-thirds went to the United States.

The wood grinding mills operated at around 62 to 65 per cent of capacity throughout the year. Due to the close cooperation between the mills, the price of mechanical pulp held firm the whole year.

Paper Share Values Off to Lowest Level in Years



The poor financial record of pulp and paper companies over the past few years has caused a marked lack of confidence by investors in the investment merit of securities in that group. Dividends have been omitted and in some cases bond interest has been deferred. On the whole, the record of the pulp and paper securities of late has been very unfavorable. This combined with an outlook which is not promising, has caused the investor to turn to other media for an outlet for his capital. As a result securities are at such low prices that those investors who buy for the long pull are getting interested again.

United States Depends On Canada for Newsprint

Imports of newsprint paper into the United States in 1930 were a million tons in excess of domestic production and constituted 65 per cent of the total consumption, according to records compiled by the Newsprint Service Bureau. This was the same proportion as in 1929, although consumption in that year was some 200,000 tons more than in 1930.

In all, 2,271,347 tons were imported into the United States. There was also an importation of 990 tons of newsprint into Porto Rico, chiefly from Sweden, and a small tonnage into Hawaii and Alaska from Canada.

Canada Supplies Bulk

Of the total imports last year, Canada supplied 1,973,698 tons. Next in order of importance was Newfoundland with 156,174 tons, followed by Sweden with 76,953 tons; Finland, 41,618 tons; Germany, 13,773 tons; and Norway, 9,131 tons.

On a percentage basis, Canada supplied 80 per cent of the newsprint imported into the United States in 1930, Newfoundland 7 per cent and European countries 6 per cent. Roughly, 27 per cent of Canadian tonnage came through the Michigan customs district, 24 per cent through the St. Lawrence, 13 per cent through Buffalo and 7 per cent through Duluth and Superior. Seventeen per cent of the Newfoundland newsprint entered through New York and the balance through South Atlantic and Gulf ports, with the exception of 3,773 tons through the Pacific Coast. Overseas newsprint went chiefly to Atlantic and Gulf ports, except shipments of 8,612 tons from Sweden to Chicago and of 39,475 tons to the Pacific Coast, also mostly from Sweden.

Pulp Plants Provide Work For Many Men

With unemployment and the means of providing more work for Canadians very much to the fore these days, the public begins to appreciate more fully the importance of the pulp and paper industry in maintaining prosperity.

Though at present operations are being conducted on a partial scale, a resumption of full time activity would go a long way toward solving the unemployment problem.

Value of Operations

What does a 250-ton mill operating at capacity mean to Canadians in terms of employment? Here is the answer:

Such a mill will require 100,000 cords of wood per year;

It will require a crew of seven men under a trained forester approximately two months to locate the wood, cruise and map the country and prepare reports in preparations for operations;

It will take 650 men in the neighborhood of five months to cut and skid this amount of wood;

Over 300 men will take six months more to haul, drive and finally deliver this amount of wood to the mill;

In this process approximately 300 tons of foodstuffs will be hauled to the woods and consumed by the workers;

At the same time about 600 tons of horsefeed will be needed;

Eighty teams will be required during the hauling season;

Forty teams will be required during the cutting and skidding season;

The business of delivering 100,000 cords of wood to the mill, represents, at this point, an expenditure of not far short of $1,000,000;

The woods end of this mill, then, represents a one-million dollar business annually and the employment and management of approximately 450 men throughout the year;

At the mill where the wood is delivered, there are approximately 275 people employed in the manufacture of paper, storage and handling and office.

PERIOD OF REHABILITATION LIES AHEAD OF PRODUCERS

(Continued from page 21)

erally speaking, come to have a better understanding of the publishers' position and have shown a greater inclination to act cooperatively. There remains much work to be done along this line, but the awakening of the manufacturer to his responsibility is one of the encouraging signs in the present unsettled period.

Sales Increase Doubtful

Prospects for increased demand in newsprint or price changes are somewhat mixed. There is reason to expect that shipments of newsprint this year will be from 10 to 15 per cent less than in 1930, which in turn was about 7 per cent under that reported in 1929.

Going on past records, one might expect that newsprint consumption will again start on the upswing before long. But a survey of the situation by newsprint experts does not lead to the same conclusion.

Advertising linage may increase, but it does not necessarily follow that the demand for paper will increase in the same ratio. The majority of the publishers have or plan cutting the page size of their newspaper. Though not apparent to the general reader, the saving in newsprint effected, has a very definite bearing upon operations of the paper manufacturer.

New Trends Likely

On top of that new trends in advertising are constantly developing. The next five years may see the national or local advertiser adopt new means of putting his product before the public. Radio, direct-mail advertising, billboards, magazines, trade papers, etc., are only a few of the advertising media available.

And it should be further realized that newsprint consumption over the past two years has been at a peak on account of the wide reader interest and boom advertising conditions. The period from 1928 to 1930 was abnormal and one not likely to be repeated for many years.

For the next two years, accordingly, there is no definite reason for a marked upturn in the consumption of newsprint. There will be seasonal increases, of course, but final figures for the year will not vary much.

Provided this premise is borne out by results, the newsprint operators are faced with the task of further reducing operating expenses, in order to secure sufficient revenue to cover capital charges.

Major Change Unlikely

At best the next year or two will be lean ones for the newsprint industry. Price increases are not to be expected, inasmuch as the larger producers have long-term contracts precluding any material advance. An improvement in operating income will come, therefore, from a further reduction in costs. The last two years have shown that much can be done in that direction and though further decreases may not be substantial, lower costs can be maintained.

Put House in Order

On the assumption that demand and prices will not fluctuate to any marked degree in the immediate future, the newsprint operators will have further time and opportunity to put their houses in order. With a return to better conditions, they will then be in a position to take the fullest advantage of their unequalled resources.

The investor, on the other hand, will have to continue patient. The past two or three years have seen their holdings drop to a fraction of the original value. It has been a disheartening time, but the bottom appears to have been reached and from now on, there should be an improvement in the situation. Prospect for dividends on the junior securities must necessarily remain some distance in the future. The strengthening of operations and earning power, however, will, in the long run, work to the advantage of the pulp and paper security holder.

PLANT RECONSTRUCTION POLICY LIKELY IN NEXT FEW YEARS

(Continued from page 21)

or near the present selling price of newsprint.

An interesting problem now presents itself to the Canadian manufacturer. What steps will the operator take to meet demand when those machines which can be profitably employed at present price levels are operating at capacity? Will the operators use high-cost machinery and lose money or will they allow the business to go elsewhere?

The price of newsprint over the next five years will be more or less constant in view of the action taken by International Paper in making long-term contracts. By 1936 there is every expectation of newsprint consumption being at a higher level. A knowledge of the machines that can be operated profitably at present levels, would probably show that there is little spread between the present demand and supply. What then, with any appreciable increase in demand?

Period of Reconstruction

The immediate future of the newsprint industry is looked upon as one of rehabilitation. At the same time it may be one of reconstruction, including reconstruction of mills and equipment.

The newsprint industry is going through a trying period, but no one doubts that eventually it will be back on a stronger and more profitable basis than ever. If reconstruction is to be carried out, there will be no trouble in securing capital for legitimate purposes.

Though the thought of building new machines seems out of place in view of what has happened in the last three or four years, an open-minded investigation of the situation would lead to the conclusion that such a step will be necessary in many plants. Some old machines must go. If the value of newsprint advances, such action, of course, would be unnecessary. But there is more reason for believing that newsprint prices will remain constant or decline rather than increase, than there is for believing that consumption will not gain. Therefore costs must be reduced, and this means, to some mills, the rebuilding of machinery.

Coast Mill Active

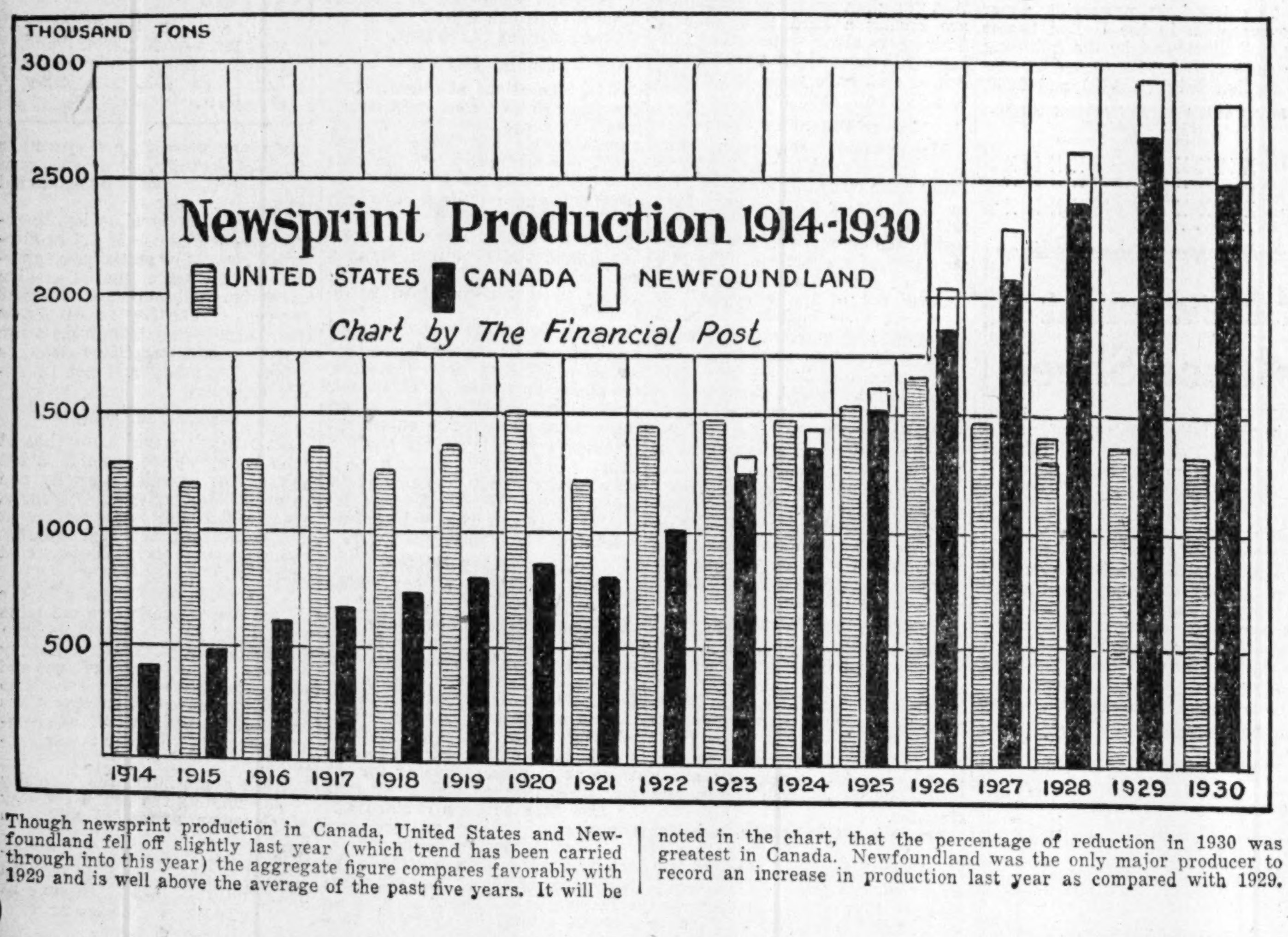
Already there is evidence that some of the newsprint operators see the future in this light. Powell River Co., for example, operating on the coast is now bringing to an end a programme of machine reconstruction that involved several millions of dollars. This company was one of the earliest operators in British Columbia. Its machines had grown old in service and faced with the necessity of securing lower costs in order to advance its position in the Western newsprint trade, the company went ahead with a comprehensive reconstruction programme.

Eastern Mills Follow

That such action will be followed by operators in Ontario and Quebec is to be expected. At present, managements are more concerned with bolstering up revenues, but with operations stabilized, attention will then be paid to placing the high-cost units in a position to operate profitably at present newsprint prices.

Within the next five years, therefore, the newsprint industry may again see the outlay of large capital sums, but the expenditure this time will be on a sounder basis than in the last period of expansion.

North American Newsprint Production Still at High Level



Though newsprint production in Canada, United States and Newfoundland fell off slightly last year (which trend has been carried through into this year) the aggregate figure compares favorably with 1929 and is well above the average of the past five years. It will be noted in the chart, that the percentage of reduction in 1930 was greatest in Canada. Newfoundland was the only major producer to record an increase in production last year as compared with 1929.

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.

◆

Member:
Am. Soc. C. E. Am. Soc. M. E. Eng. Inst. Can.

Consultation
Reports
Valuations
Estimates

Paper and Pulp Mills
Hydro-Electric and
Steam Power Plants
Plans and Specifications

HARLAND

Specialties:
Electric Sectional Drives for all Sizes of Paper Machines
AC and DC Motors and Generators
Steam Turbines
Diesel Engines
Centrifugal Pumps
Switchgear

THE HARLAND ENGINEERING CO. of Canada Ltd.
1233 MOUNTAIN ST., MONTREAL

Toronto
J. D. Chisholm, 3 Gould St.

Vancouver
M. Montgomery & Co. Ltd.

Winnipeg
Cochrane Stephenson Co. Ltd.

QUEBEC
The Leading Province in Pulp and Paper Production
Where Steady and Healthy Growth is Further Assured

THE pulp and paper industry in Canada had its birth in the province of Quebec six score years ago and today the province is the leading producer of pulp and paper in the Dominion. Evidence that this leadership will be maintained is given in the important construction works in the pulp and paper field under way in Quebec province at the present time or planned for early attention. The wonderful growth of the industry in the province has been due to the excellent combination of ample wood supplies, of abundant water power, capable of economical development, of contented, sturdy workmen and government policies that insure sound encouragement for development of water powers and sane exploitation of forest resources to guarantee the perpetuity of the industry.

In order to promote the establishment, within the province, of forest industries, with a view of giving a chance to the inhabitants of the province to benefit by the exploitation of the natural resources, the Government has adopted, in 1910, a regulation which prohibits the exportation of timber cut on Crown lands, unless said timber has been converted into pulp, paper, boards, planks, or any other article of trade.

The Government did not deem it sufficient to pass laws or draft regulations. Fully aware of the importance to the province, from an economical standpoint, of the forest resources, the Government has established a special forest service and a forest protection service, created special schools where the technical staff is trained, a paper school, a forest research bureau, a nursery and an hydroplane station.

The Forest Service has been in operation since 1909 and in 1924 a Forest Protection Service was established.

The personnel of the Forest Service is concerned with the supervision of the forest operations on the Crown forest lands, with forest reconnaissance and inventories, with land classification, with reforestation work, with researches on growth and regeneration of the different commercial tree species.

The forest school established in 1910 has been affiliated to Laval University of Quebec. Since 1919, it has been designated under the name Surveying and Forest Engineering School. Its well developed program is made up of all the natural, mathematical and forest sciences, etc., required for the training of forest engineers and land surveyors. The duration of the course is four years. To the theoretical lessons are added, every year, varied practical works within the forest.

On December, 1922, a law was passed (Chap. 32, Stat. 13 Geo. V.) providing for the establishment of a rangers' school, of a paper school and of a forest research bureau. The first one will complete the task of the forest school, by giving the proper training to the subordinate personnel necessary to the forest administration.

The second named school had become necessary in a country where the pulp and paper industry has achieved such remarkable progress as to become one of the essential industries to the economic general welfare. To maintain the importance of this industry and to enable it to advantageously compete with smaller industries established elsewhere, a well-trained and competent labor was necessary. The Paper School is for the purpose of training such labor. As far as the Forests Research Bureau is concerned, its task will consist in gathering, on the composition of the forests, on their yield, on their rate of growth, on their volume, all the information which might prove useful to the administration in selecting the best suited sylvicultural, forest management and exploitation methods.

A nursery was established in Berthierville, in 1908. From this date up to now, many millions of trees of all species which were therein raised have been shipped to different sections of this country, in order to serve the purposes of reforestation or ornamentation. There is presently in this nursery more than 100 million trees. By free distribution of trees to schools and municipalities, a sort of worship for the tree has been established and popularized.

With the object of conserving the forests the Government's forestry department ensures that lease holders preserve certain trees for regeneration purposes, maintains an organization for reducing fire loss to a minimum, and enforces rules with regard to burning brush, etc.

These regulations are so much a help to the operating companies as they are to the province, with the result that capital investment is in no way hindered.

For information write
HON. HONORE MERCIER
Minister of Lands and Forests, QUEBEC

B. C. PULP & PAPER

Economies, Plant Changes Work for the Better

Though operating under certain difficulties, British Columbia Pulp and Paper Co. continues to report an improvement in its position. The history of this organization, formerly the old Whalen Pulp and Paper Co., is featured by a series of ups and downs. Under the present management, however, every effort has been made to put the company on a satisfactory operating basis, and, at the same time, increase its earning power.

Over the last eighteen months expenditure on capital account have been made, with a view to consolidating the various operating units and to modernize equipment. The principal improvement was the installation of the largest barking and chipping plant in the world, which will allow of a more complete utilization of the logs brought to the mill. A new storage dam was erected, improving the power supply, as well as providing additional power required in connection with the manufacture of sulphite pulp.

Earnings Move Up

Consequent upon these efforts net earnings of B. C. Pulp in 1930 showed an improvement over 1929, while the balance sheet showed a strengthening of working capital. After providing for a larger depreciation reserve, taxes, bond interest and preferred dividends, there remained a surplus of $2,281, compared with $1,757 in 1930.

The net working capital position of the company also improved, current exceeding current liabilities by $1,289,080. This compares with the corresponding figure of $1,272,027 at the end of 1929.

B. C. Pulp and Paper does not manufacture paper, but confines its output to easy bleaching and bleached sulphite pulp, which are of an unusually high quality and in demand by paper makers.

Interest is Small

Being outside of the newsprint field, its securities have not attracted a great deal of attention from the investment public. Outstanding in the hands of the public is a first mortgage bond issue of $3,451,000. In addition there is an issue of $1,500,000 of 7 per cent general mortgage sinking fund bonds. All the general bonds and the entire 100,000 shares of common stock were purchased by the Royal Securities Corp., shares being held as a voting trust.

The preferred shares of the present company were given to the original first mortgage bondholders of the Whalen Pulp in lieu of arrears of interest. The bondholders of the old company were given bonds in the new company par for par.

There is an inactive market for the preferred shares and at present the over-the-counter price offers the investor a high yield. This, in itself, is indicative of the company's present position.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	150,000 shs.	100,000 shs.
Pref. 7% cum.	$1,000,000	$556,200

Funded Debt—

6 per cent first mortgage sinking fund bonds, due 1950; outstanding, $3,451,000.

7 per cent general mortgage sinking fund bonds, due 1950; outstanding $1,500,000.

Dividend Record—

Preferred 7 per cent per annum payable quarterly. Initial dividend of $8.75 a share paid Feb., 1927, representing all accumulated dividends. Paid regularly since.

Common, none paid.

Officers and Directors—

Officers—Lawrence Killam, pres. and man. dir.; W. J. Blake Wilson, vice-pres.; O. A. Jorgenson, treas.; Miss Ethel M. Dominy, sec., Vancouver, B.C.

Directors — Lawrence Killam, W. J. Blake Wilson, George Kidd, R. C. Buchanan, W. H. Malkin, O. A. Jorgenson, Cecil Killam, Vancouver, B.C.; I. W. Killam and Dr. Victor E. Mitchell, Montreal.

Income and Surplus Account
Years Ended December 31

	1930 $	1929 $
Net earnings	671,903	599,776
Less: Depreciation ..	316,585	220,000
Bond interest	300,000	321,740
Prov. for taxes ...	14,102	17,345
Net profit	41,216	40,691
Less appropriations:		
Pref. divds.	38,934	38,934
Surp. for year	2,282	1,757
Add: Prev. surp. ...	56,158	54,401
Balance forward ...	58,440	56,158
Times Interest Earned:		
Before deprec.	2.12	1.74
After deprec.	1.17	1.18
Earnings per Share and Div. Record:		
Preference:		
Earned	$7.51	$7.32
Paid	7.00	7.00
Common:		
Earned	0.02	0.02

No common dividends paid.

DON VALLEY PAPER

Company Doing Well—Sales Are Down But Profits Up

Don Valley Paper Co. is a manufacturer of cover paper, bristol boards, tags and colored specialties. The company in the last four years has made good progress in manufacturing and sales and the outlook is promising.

Sales in the present year have been a shade under the level of 1930 but the margin of profit has been a little better. This improvement in profit has come about even though prices asked by the company for its product have been less. It is the result of savings made by reason of greater efficiency as the result of the installation of new equipment and of further improvement in operating and manufacturing methods.

The advisability of paying for new equipment out of current revenue has resulted in the company continuing to defer dividends on the preferred stock for the time being.

There is not a widespread investment interest in the company. The plant is in the Don Valley, near Toronto, on property covering about 30 acres.

The officers of the company are: Norman E. Wainwright, president, R. H. Joyce, vice-president and J. F. MacKenzie, superintendent.

The capitalization consists of 679 shares of $100 par value, 7 per cent preferred stock out of a total authorization of 1,500 shares and 3,967 no par value common shares outstanding out of 5,000 shares authorized.

Capitalization—	Authorized	Outstanding
Preferred 7% .... (Par $100.)	1,500 shs.	679 shs.
Common .... (No par value.)	5,000 shs.	3,967 shs.

Officers—

N. E. Wainwright, pres.; R. H. Joyce, vice-pres.; J. F. MacKenzie, supt.

MINNESOTA & ONTARIO PAPER

Solution of Difficulties Lies in Reorganization—No Immediate Prospect of Resumption of Interest Payments is Evident

The present position of Minnesota & Ontario Paper Co. is greatly involved. The company entered receivership February 28, 1931, after being unable to redeem $3,500,000 of 6 per cent notes due on March 1. Since that time, interest payments have been suspended on the entire funded debt of the company. The bondholders protective committee and the receivers have strained every effort to solve the intricate problems presented by the inter-locking business connections of the various subsidiaries but no immediate solution is in prospect. Ultimate outcome for the bondholders appears to be dependent upon the condition of the newsprint industry, general business and the company itself.

The company is engaged in the manufacture and distribution of newsprint, kraft pulp and lumber. It also generates electric power used for its plants and for lighting purposes in Fort Frances, Ont., and International Falls, Minn. It controls directly, or through one or the other of its nine major subsidiaries, paper, pulp and saw mills at Kenora and Fort Frances, Ont., and at International Falls, Minn. The annual capacity of these mills is 250,000 tons of newsprint, 34,000 tons of kraft liner-board, 300,000,000 ft. of insulating material, sold under the trade name "Insulite," and over 125,000,000 ft. of rough and finished lumber, box shooks and crating. The company holds leases of extensive pulpwood areas in Ontario and its hydro-electric power developments have a combined capacity of 65,000 h.p.

Newsprint production of the company has been under the average for the industry this year and in January and February, 1931, a consolidated loss of $283,054 was reported, before provision for depreciation. A slight profit was shown in 1930 but if the operations of National Pole & Treating Co., a controlled company, are excluded a deficit would result. Under existing conditions, sale of the company on a basis that would permit bondholders to be paid in full is an impossibility and the bondholders' committee considers that the best action for the bondholders is to buy in the properties of the company under a plan of reorganization. The committee has secured the deposit of the major portion bonds outstanding but is endeavoring to get as many more bonds in as possible in order to ensure the fullest co-operation.

Control of the common stock is held by Backus-Brooks Co. and Minnesota & Ontario Paper Co. owns Ontario & Minnesota Power Co., Rainy River Improvement Co., International Lumber Co., Minnesota, Dakota & Western Railway Co., International Bridge & Terminal Co., Fort Frances Pulp & Paper Co., Kenora Paper Mills, Ltd., Keewatin Power Co., Keewatin Lumber Co., Falls Lumber & Coal Co., and Seine River Improvement Co. In addition controlling interest is held in National Pole & Treating Co.

Capitalization—	Authorized	Issued
Com. ($100 par)	$15,000,000	$9,392,000
Pref. 6% cum., par. ($100 par)	5,000,000	3,756,000

Majority of stock owned by Backus-Brooks Co., Minneapolis.

Funded Debt—

	Outstanding
6% 1st mtge. S. F. gold bonds,	
Series "A," due 1930 to 1945	$15,400,000
Series "B," due 1948	4,000,000
Series "C," due 1950	5,000,000
6% gold notes, due 1931	3,500,000

National Pole & Treating Co. 6 per cent notes, due 1931; issued $2,000,000.

In February, 1931, company was placed in voluntary receivership owing to inability to redeem its 6 per cent 5-year notes due March 2, 1931.

Interest was passed on Series "A" and "B" first mortgage bonds April 1, 1931, and on Series "C" May 1, 1931. Bondholders' protective committee was formed, consisting of: F. K. Shrader, chm., C. S. Garland, F. M. Gordon, H. T. Harmon, T. R. Harrison, R. P. Matthiessen, G. W. Pearson, H. D. Thrall; H. R. Masser, Chicago, sec.

Officers and Directors—

Officers—E. W. Backus, pres.; Seymour W. Backus, vice-pres.; C. C. Honey, sec.-treas.; R. D. Main, compt.; C. T. McMurray, pur. agt.

Directors—E. W. Backus, E. H. Backus, S. W. Backus, Chas. C. Honey, R. D. Main, Minneapolis, Minn.; George McLean, International Falls, Minn.; D. McLeod, Kenora, Ont.

GREAT LAKES PAPER CO.

Low Cost Producer of Newsprint Lacks Assurance of Definite Market — Association With Minnesota & Ontario Paper Co. Not Satisfactory

Inability of Great Lakes Paper Co. to meet bond interest due March 1, 1931, was due to the failure to collect payments owing by Minnesota & Ontario Paper Co. Both companies are controlled by Backus-Brooks Co. and in the past Great Lakes Paper has been operating on newsprint orders allocated to it by Minnesota & Ontario. Lacking any direct contracts of its own the future of the company was affected in several ways by the Minnesota & Ontario Paper Co. being placed in receivership last February.

The Great Lakes mill is located at Fort William, Ont., and has a capacity of 100,000 tons of newsprint a year. Pulpwood limits under lease are sufficient to meet all requirements. The mill is considered a low-cost producer and during the current year has been operating at 80 per cent of capacity. It has been stated that the company could earn fixed charges if operations could be continued at this rate but the difficulty has been that no assurance could be obtained that this rate can be maintained. Canadian investment interest is confined to the $10,000,000 of 6 per cent first mortgage sinking fund bonds, series A, on which annual interest requirements would be $600,000.

In July, 1931, the National Trust Co., as trustee for the bondholders, had the company placed in receivership and was appointed receiver and manager for the property. This action protects the interests of the bondholders and permits the company to secure newsprint contracts of its own if such are obtainable. Until there is definite assurance that the company will be able to continue to operate steadily, on at least the present rate of production, it is not likely that bond interest payments will be resumed.

The future depends on the ability of the company to secure newsprint contracts of its own or to secure a definite allocation of tonnage from Minnesota & Ontario Paper Co. One of the most favorable factors in the situation is the low cost of production. Rehabilitation of the company, however, is handicapped by the present condition of the newsprint industry and business conditions in general.

Capitalization—	Authorized	Outstanding
Pref. 6% cum. .. (Par $100.)	$10,000,000	$10,000,000
Common .... (N.p.v.)	750,000 sh.	750,000 sh.

Funded Debt—

1st mtge. sinking fund bonds, series "A," due 1950; outstanding $10,000,000. Interest defaulted Mar. 1, 1931.

Officers and Directors—

Officers—E. W. Backus, pres.; S. W. Backus, vice-pres. and treas.; Strachan Johnston, sec.

Directors—E. W. Backus, S. W. Backus, R. D. Main, Minneapolis; George McLean, International Falls, Minn.; D. McLeod, Kenora, Ont.

FIRSTBROOK BOX

Diversified Line, Patent Rights Offer Hope When Business Improves

Firstbrook Boxes, Ltd. produces wood boxes, and box shooks, corrugated paper boxes, folding, display and protective boxes. The diversity of its various lines permits the company to meet the demand for almost any type of container and through its use of the Robert Gair Co. patents the company is in an excellent position to take advantage of any new developments in container design. The arrangement with Robert Gair Co. extends to July 1, 1933, and covers the use of all designs, engravings, inventions, patents, etc. originated by the United States company which is a leader in its field.

The principal plant of the company is at Mount Dennis, Ont., and comprises some 160,000 sq. ft. of floor space. Built in 1929, this plant is modernly equipped to handle production on an economical basis. The company also owns plants at Thessalon and Penetang, Ont.

The name of Firstbrook is one of the oldest in the box making business, the original company having been founded in 1867. The present company, Firstbrook Boxes, Ltd. was formed in 1928. The new company took over the assets of Firstbrook Bros., Ltd., Canada Cartons Ltd. and Rudd Paper Box Co. The latter company had been in the paper box business since 1907 whereas Firstbrook Bros. had only entered this branch of the container industry in 1925. Canada Cartons, Ltd. controlled the rights to manufacture and sell, in Canada and the British Empire, containers covered by patents held by Robert Gair Co.

The preferred stock of Firstbrook Boxes, Ltd. was offered publicly in 1928 with a bonus of three shares of common stock with each ten shares of preferred. An issue of $500,000 6 per cent first mortgage bonds was also offered at that time. The company has experienced the same difficulties as other units in the industry and earnings dropped sharply in 1930 as compared with 1929 and will show another decrease for the current year. Bond interest was reasonably well covered after depreciation in 1930 despite the drop in net earnings. Preferred dividend payable March 31, 1931, was passed in order to conserve liquid assets.

Capitalization	Authorized	Outstanding
Preferred ...... (Par $100).	$10,000,000	$496,600
Deferred ...... (n.p.v.)	3 shs.	3 shs.
Common .... (n.p.v.)	90,000 shs.	60,000 shs.

Funded Debt—

6 per cent first mortgage bonds, due 1948, outstanding $487,500.

Dividend Record—

Preferred—7 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly until March 15, 1931, when dividend was passed. None since.

Common—None paid.

Officers and Directors—

Officers—J. Firstbrook, chairman of the board; E. V. Donaldson, pres.; W. H. Firstbrook, vice-pres.; G. W. Brown, gen. mgr. and sec.; S. W. C. Palmer, treas.

Directors—J. Firstbrook, E. V. Donaldson, W. H. Firstbrook, J. A. Gairdner, G. H. Muntz, O. A. Doherty, Toronto; G. E. W. deClercq, of the Robert Gair Co., New York.

INCOME AND SURPLUS ACCOUNT

	Year ended Jan. 3 1931 $	Year ended Jan. 4 1930 $
Net earnings	102,255	170,166
Less: Depreciation	49,851	59,144
Extraordinary expenses	......	36,616
Bond interest	29,625	30,000
Reserve for income tax ..	......	3,000
Net profit	22,779	41,406
Less appropriations:		
Preference divds.	34,762	34,940
Surplus for year	*11,983	6,466
Add: Prev. surplus	40,528	31,500
Adj. of pref. divd. and bond int. for 1928 ...	......	2,290
Discount on pref. shs..	......	272
Balance carried forward	28,545	40,528
Times Bond Interest Earned:		
Before deprec.	3.45	5.69
After deprec.	1.77	2.50
Earnings per Share and Dividend Record—		
Preference: Earned ..	$4.58	$8.34
Paid	7.00	7.00
Common: Earned	Nil	0.11
None paid.		

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Preferred	..	..	83½	75	96½	90

*No sales to Sept. 15.

Four Types of Pulpwood

There are four methods of preparing wood pulp, one of which is mechanical and three chemical. It takes approximately one cord of wood to produce one ton of groundwood or mechanical pulp and two cords to a ton of pulp by the chemical process. Ground wood pulp and unbleached sulphite fibre are the chief components of newsprint paper.

BUILDING PROD.

New Plant at Hamilton to Make Product New to Canada

An outstanding feature of operations of Building Products Ltd. during the current year was construction of a new plant at Hamilton for the manufacture of products not heretofore made in Canada. This new product is known as premolded asphalt plank and molding. It is used as surfacing for highway bridges and floors in industrial plants. The new unit came into operation in May and its output has added another line to the company's activities for which a good market is being established.

While fluctuations in constructional activity have found some reflection in operations of Building Products, it is understood that the company's output has been well maintained and that earnings continue on a satisfactory basis. The company's connection with the building industry lies in the fact that production includes asphalt shingles, roll roofing, roofing felt, wall board and allied products.

Earnings Cover Dividends

While earnings in 1930 were lower than those in the previous year, they were sufficient to cover dividend requirements on the capital stock by a comfortable margin. Since all the preferred shares outstanding were redeemed in 1929, the common stock comprises the sole charge against the property.

Building Products' ability to maintain earnings on a relatively satisfactory level is due, to a considerable extent, to diversified production which has enabled it to offset a decline in some lines by an added demand for others. The new Hamilton plant has further extended the company's scope of activities —a factor which should find some reflection in earnings this year, though the unit only started operations in May.

Makes Paper Requirements

Building Products owns two paper mills and two roofing plants. The former are located at Portneuf and Pont Rouge, having a combined output of 55 tons daily. Roofing plants are located at Hamilton and Montreal. At the Portneuf mill, the company manufactures solid fibre shipping cases from raw materials to the finished product.

Building Products was formed in 1925 as a consolidation of Bird and Son, Canadian company affiliated with Bird and Son of East Walpone, Mass., and Ruberoid Co., which is affiliated with the Ruberoid Co. of New York. In this way, the following properties were merged: the paper mill of the Ruberoid Felt Manufacturing at Portneuf, with a daily capacity of more than 20 tons of sheathing, paper and pulp board for the manufacture of wallboard; the felt mill of Bird and Son at Pont Rouge, with a capacity exceeding 35 tons of rag felt daily; the roofing factories and wallboard plant of the Ruberoid Co. at Montreal, and the roofing and asphalt shingle of Bird and Son at Hamilton.

Thus the various activities of these units were co-ordinated and distribution was centralized. Further, in 1928, Building Products united with Canada Power and Paper Corp. to form National Forest Products, to manufacture "Insul-Board." As a result of this arrangement, Insul-Board, formerly manufactured at the Portneuf plant, was made at the Port Alfred mill of Canada Power and Paper Corp.

The Bird and Ruberoid interests still control Building Products.

Capitalization—	Authorized	Outstanding
Com. 'A' (n.p.v.)	116,346 sh.	116,346 sh.
Com. 'B' (n.p.v.)	4,500 sh.	4,500 sh.

Funded Debt—

None.

Dividend Record—

Common, Class "A" and Class "B"—$2.00 per share per annum. Increased from $1.60 for the last quarter of 1929.

Dates Payable—Jan., April, July and Oct. 1.

Officers and Directors—

Officers—Philip R. Allen, pres.; Wm. R. McNeil, vice-pres. and man. dir.; R. C. Crooker, sec.-treas.

Directors—Philip R. Allen, East Walpole, Mass.; Wm. R. McNeil, Montreal; A. E. Ames, Toronto; C. P. Cowan, D. P. Hatch, Montreal; H. R. Tudhope, Toronto; G. M. McKee, C. B. McNaught, G. H. Montgomery, K.C., Montreal.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $
Net profit	*326,434	*418,482
Less appropriations:		
Pref. dividends	......	6,602
Com. dividends	241,692	205,438
Surplus for year	84,742	206,442
Add: Previous surplus	849,907	643,465
Balance carr. for'd ..	934,649	849,907

*After adding income from investments and deducting reserve for contingencies (a portion of which is available for income tax) and reserve for depreciation of $112,517 in 1930, $107,871 in 1929.

Earnings per Share and Dividend Record:

Classes "A" & "B":		
Earned	$2.70	$3.41
Paid	2.00	1.70

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Com. "A"	26	16⅞	29¾	20	46	22

*To Sept. 15.

Bear River Pulp

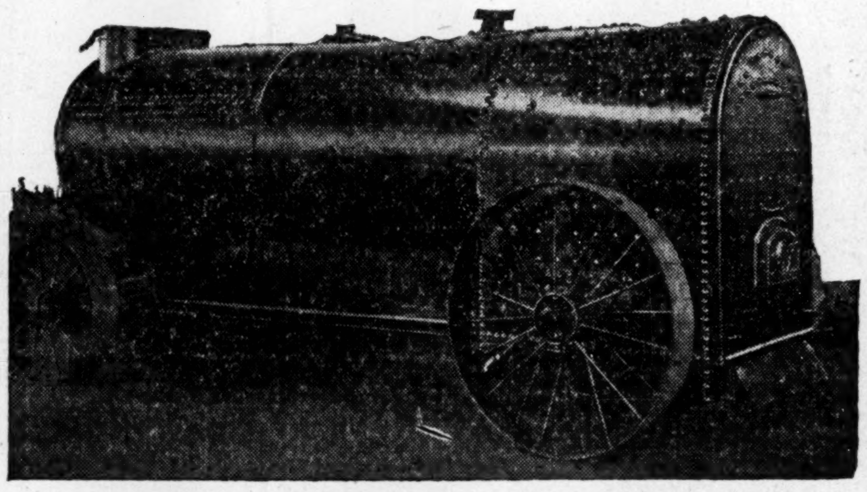
Bear River Pulp Co., with head office in Toronto and mills at Bear River, N.S., has been a liquidation for several years. Mills are at present idle and there is no indication that operations will be resumed.

One of the company's assets is approximately 50,000 acres of timberland, as well as an additional 10,000 acres under license. The plant is equipped to handle 45 tons of sulphite pulp a day.

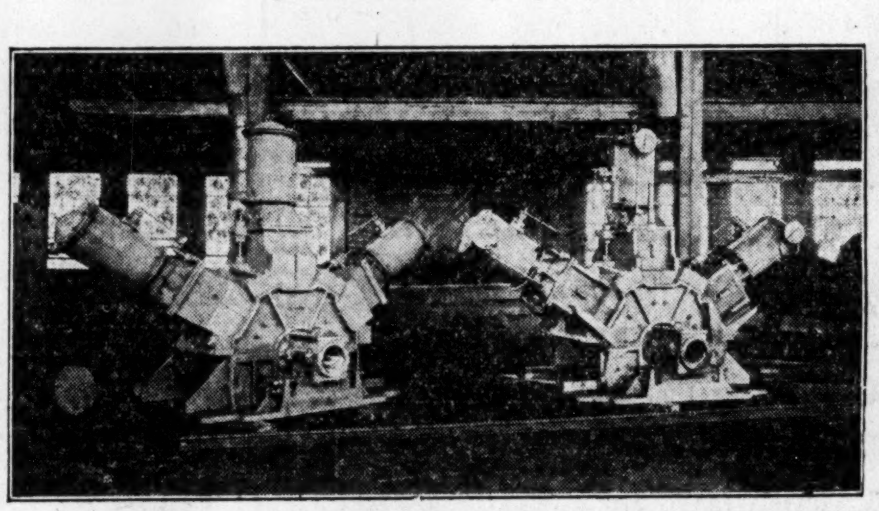
Use Own Pulpwood

During 1929 an investigation was carried out to determine the extent to which pulpwood is shipped out of one Canadian province for use in another. The total amount of wood involved was reported as forming only about 7 per cent of the total quantity of pulpwood used in Canadian mills.

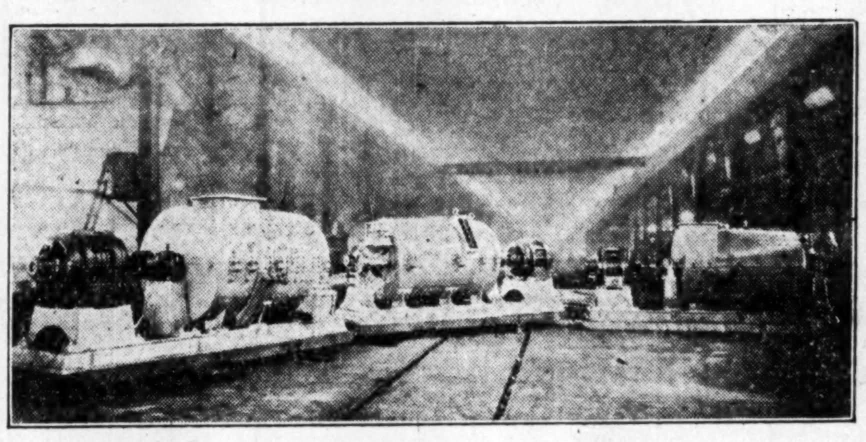
Canadian Machinery



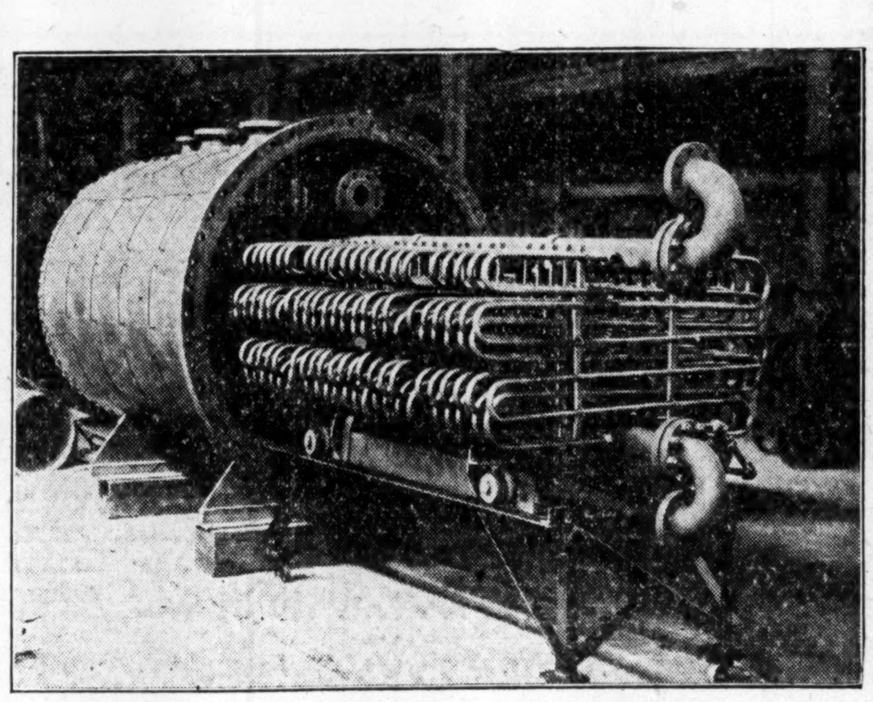
Portable locomotive-type boiler manufactured at the St. Catharines, Ont., shops of Foster Wheeler Limited. The shops are equipped to furnish complete industrial steam generating units for operation at any pressure and for any capacity.



Three pocket pulp grinders as supplied by Foster Wheeler to many outstanding Canadian pulp and paper mills.



Shop view of Aero unit coal pulverizers before shipment. Each pulveriser with its driving motor was mounted on a rigid base plate and forms a compact, efficient unit for supplying pulverized fuel to the furnace.



High pressure Foster Wheeler evaporator, shop assembled for testing before shipment. This apparatus contains 225 sq. ft. of heating surface and has a capacity to supply 5,000 lb. per hr. evaporated water.

ONE of Canada's progressive and versatile works is that of Foster Wheeler Limited at St. Catharines, Ont. Its achievements extend beyond the Dominion.

THE SCOPE of Foster Wheeler engineering covers the generation of steam from hospital heating boilers to the widely known steam generators in the great power plants of our leading railroads and paper mills; it covers machinery from the intricate mechanism used at the Welland Canal locks to marine steam engines. Complete oil refinery plants are designed and erected ready for operation by Foster Wheeler.

THE RECOGNITION of engineering superiority and the use of finest materials and workmanship is evidenced by the use of these Canadian built products not only in our own power houses and industrial enterprises but in the prominent plants of other nations—even to the West Indies, Mexico and Japan.

THE FACILITIES include complete engineering advisory service, designing department, foundry, pattern shop, forge shop, plate shop, machine shop, erecting shop, etc. The experience gained in more than 30 years of progressive and pioneering development is available in tried and proven equipment. The work of perfecting new designs and special apparatus is handled with the same facility.

FOSTER WHEELER LIMITED
Canadian Bank of Commerce Bldg.
Toronto
Canada Cement Co. Bldg.
Montreal
Works: St. Catharines, Ont.

FW FOSTER WHEELER

INTERNATIONAL PAPER and POWER COMPANY

Owned, including subsidiaries, by 82,000 shareholders in Canada, Great Britain and the United States. The Company's securities are listed and traded in on the Montreal and New York Stock Exchanges.

THIRTY-THREE YEARS AGO, when International initiated its first Canadian undertaking, the investment was small, employees few in number, and activities limited in extent. Today, the Company's Canadian assets aggregate approximately $250,000,000, and it is now one of the largest producers in Canada both of newsprint and of electric power.

The raw material supply for an organization of this size is a problem of great magnitude. International's forest conservation policy is to utilize every means at the Company's command for greater efficiency in logging operations, including the employment of trained foresters responsible for the development and application of scientific measures insuring the maximum future crop. In addition to co-operating with the various Canadian forest fire protective associations, International maintains its own fire protective system, perhaps the most extensive operation of its kind in effect by any private agency.

This policy, while involving large capital expenditure, interest and maintenance charges, insures the permanence of the Company's operations, guarantees the future requirements of its customers, protects the interests of its security holders, and safeguards the future of the communities relying upon the Company for regular employment.

INTERNATIONAL PAPER and POWER COMPANY

CANADIAN INTERNATIONAL PAPER COMPANY
NEW BRUNSWICK INTERNATIONAL PAPER COMPANY
RIORDON SALES CORPORATION LIMITED
SAINT JOHN RIVER POWER COMPANY
GATINEAU POWER COMPANY
CANADIAN HYDRO-ELECTRIC CORPORATION LIMITED
GATINEAU ELECTRIC LIGHT COMPANY LIMITED
CONTINENTAL PAPER PRODUCTS LIMITED
INTERNATIONAL FIBRE BOARD LIMITED
NIPIGON CORPORATION LIMITED
INTERNATIONAL PAPER AND POWER SECURITIES LIMITED

ONTARIO POWER

Abitibi's Subsidiary is Pushing $23,000,000 Development Ahead of Schedule

Ontario Power Service Corp., which is wholly owned by Abitibi Power & Paper Co., is ahead of its schedule to complete at Abitibi Canyon, 64 miles north of Cochrane on the Abitibi River, its $23,000,000 electrical development. The main contract for construction is in the hands of Dominion Construction Co. which is employing more than 1,500 men on the work directly.

The 275,000 horsepower which the completed plant will be able to produce is already allocated, 100,000 horsepower to be delivered as required to the Ontario Hydro-Electric Power Commission while the remaining 175,000 horsepower will be used by the Abitibi Power & Paper Co. to generate steam at Iroquois Falls and Smooth Rock Falls. Abitibi Power has already made considerable savings at these plants by utilizing electrical power in this manner and the new large block of power is expected further to save fuel costs. Ontario Hydro-Electric Power Commission has agreed to purchase 85,000 horsepower on completion of the plant not later than October, 1932, increasing its requirements annually until 100,000 horsepower is taken by 1936. This amount will be taken annually thereafter until 1971 with right of renewal by the commission until 1982.

Is Among Ontario's Leaders

The present project of five units, aggregating 275,000 horsepower, is the initial installation by the company, and it is expected that there will be further development as soon as conditions make it apparent that there will be a market for further power. There remain about 100,000 horsepower capable of exploitation at Abitibi Canyon and there are other rapids northward between the canyon site and Hudson's Bay.

The Abitibi Canyon development is served by a drainage area of 8,443 square miles along the 100-mile stretch of the Abitibi River Valley between Abitibi Lake and Abitibi Canyon. Abitibi, Frederick and Night Hawk Lakes form natural reservoirs for 85,000,000,000 cu. ft. of water. The total head of water at Abitibi canyon will be 237 ft. and an artificial lake of considerable dimensions will be thus created.

J. H. Black, assistant to the president and power manager of Abitibi Power, and vice-president of Ontario Power Service Corp., resigned from these positions at the end of July, 1931, in order to act as executive head of Dominion Construction Co. L. R. Wilson, vice-president, and managing director of Abitibi, has been appointed vice-president of Ontario Power Service Corp. After an inspection of the activities of the construction company Mr. Wilson states that costs will not exceed the original estimate and that the completion will not be delayed beyond October 1, 1932, the original objective.

Capitalization—	Authorized	Outstanding
Common .... (No par value.)	40,000 shs.	20,020 shs.

All outstanding shares owned by parent company.

Funded Debt—
1st mortgage bonds, 5½ per cent, due July, 1950, outstanding, $20,000,000.

Officers—Alexander Smith, pres.; L. R. Wilson, vice-pres.; W. H. Smith, treas.; T. Broadhurst, secy.; Howard Young, asst. secy.

Directors—Alexander Smith, Chicago, Ill.; L. R. Wilson, W. H. Smith, Toronto, Ont.; Victor E. Mitchell, D.C.L., K.C., Montreal, P.Q.

ABITIBI POWER & PAPER

By Concentrating Attention on Lower Cost Mills and Making Many Economies, Company is Breasting Depression Well

Abitibi Power and Paper Co. occupies an important position in the world's pulp and paper industry. It controls 25 per cent of the entire capacity of Canadian mills and owns eight newsprint plants at Iroquois Falls, Fort William, Sault Ste. Marie, Espanola and Sturgeon Falls, all of Ontario, La Malbaie and Ste. Anne des Beaupré, Que., and Pine Falls, Man., as well as a bleached sulphite mill at Smooth Rock Falls and half ownership with the Canada Power & Paper Co. in the Thunder Bay Paper Co. which owns a modern newsprint mill at Port Arthur and valuable timber leases. Abitibi Power and Paper Co. owns all the common stock of Provincial Paper with its mills at Port Arthur, Thorold, Georgetown and Milles Roches, all in Ontario.

Abitibi Power and Paper Co. has in these mills capacity for the daily production of 2,200 tons of newsprint, 215 tons bleached sulphite, 150 tons news sulphite, 65 tons board and wrapper, 190 tons of book and the finer papers, 65 tons of bleached sulphite pulp and 75 tons of groundwood pulp. The company's timber reserves are estimated to contain 55,000,000 cords and its developed water powers total 500,100 h.p., if one counts the Abitibi Canyon development of 275,000 h.p. which will be ready in 1932. The company is therefore an important power corporation as well as a manufacturer of newsprint and the finer papers. This position may be greatly improved in the next decade as the company still has undeveloped water powers estimated at between 450,000 and 500,000 h.p., including 100,000 h.p. which will still remain to be developed at Abitibi Canyon after Oct. 1, 1932, when the initial development is ready.

Puts Up Aggressive Fight

Over-building of machines for newsprint production in Canada during the last several years gives increased importance to the company's programme of power development and to the possible projects which may yet be initiated by this company. During the last few years over-building of machines has resulted in intense competition and price cutting which has progressively made it difficult both for strongly financed and weakly financed companies to keep up dividend and interest payments on outstanding securities. Abitibi Power & Paper has comparatively a better record than most as it still pays dividends on its first preferred stock and is meeting all interest payments on its bonds.

Abitibi Power & Paper Co. led the way a few years ago in the important series of mergers of newsprint companies by which overhead costs and selling costs have been cut to a minimum. That programme is apparently over for the time being. It is pursuing important research investigations and can be expected to show immediate response to improved conditions in the industry as a whole when these occur.

Throughout 1930 the company has been meeting the situation caused by extraordinarily keen competition and dropping prices of newsprint by reducing its costs wherever possible. Because of the reduction in demand it found it necessary to close the higher cost mills at Espanola, Sault Ste. Marie and Sturgeon Falls. In recent weeks, the Sault Ste. Marie mill has been re-opened and the four machines have been placed in operation so that the full complement of men in that mill are at work once more. At the company's chief newsprint mill in Iroquois Falls, work has proceeded in good volume. Workers there agreed to a reduction of 5 per cent in wages and salaries and, in general, strenuous efforts have been made in every department to bring costs into working relations with the present conditions.

Abitibi Power & Paper Co. was incorporated under Dominion Laws on February, 1914. It purchased the assets of Abitibi Pulp and Paper Co., which had been formed in December, 1912. On January 1, 1928, the company acquired the ownership of Spanish Pulp and Paper Mills, Fort William Power Corp., Manitoba Paper Co. and Murray Bay Paper Co. by exchange of common stock. During 1928 all bonded obligations and preferred stocks were refunded with the exception of the preferred stock of Spanish River Pulp and Paper Co. which was exchanged for Abitibi preferred.

In January, 1930, all of the common stock of Provincial Paper was acquired by Abitibi through an exchange of shares. The new company produces book, magazine, coated and other fine papers. The mills of Provincial Paper have a capacity of 185 tons of book and finer papers, 65 tons of bleached sulphite pulp and 75 tons of groundwood pulp. All the properties of the company's subsidiaries are estimated to be capable of expansion to 1,000,000 tons a year in total output. In view of the fact that actual production in 1930 is believed to have been about 350,000 tons or less than half of capacity, the company has excellent reserves to take care of expanding demand which may occur in the next period of very active business.

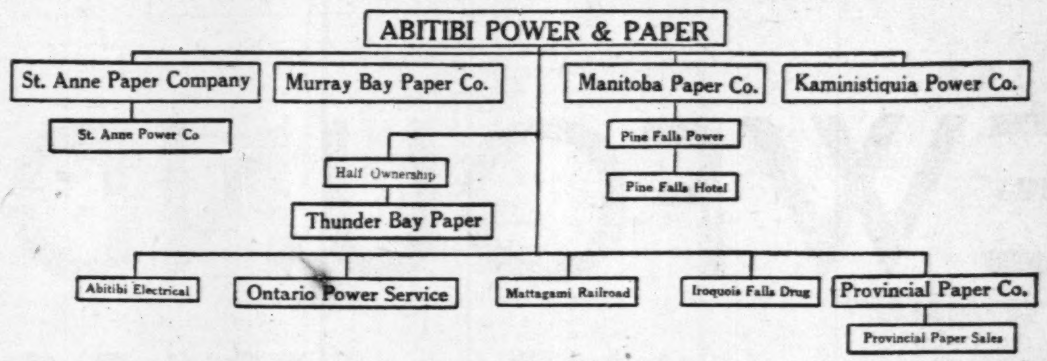
Earnings Cover Bond Interest

Naturally, under conditions obtaining in 1931, earnings of the company must have suffered a considerable decline. Net revenue in 1929 amounted to $1.97 a share on the common stock as compared with $1.15 a share in 1928. Operations in 1929 were about 82 per cent of capacity as compared with 65 per cent in 1928. With a drop to less than 56 per cent of capacity in 1930, earnings on the common shares declined to 47c a share. In 1931 the total will be less still than in 1930 and the lower price of newsprint can be expected to cause a still further decline. The fact that dividends were dropped in July on the $34,881,800 of 6 per cent cumulative $100 par value preferred stock, is sufficient indication that the decline in 1931 may be more than $2,000,000 in net earnings.

The company is still paying $245,000 annually on preferred of Provincial Paper and $70,000 annually on its own first 7 per cent preferred stock and official statements indicated that to the end of June the interest on bonds had been earned. Interest on bonds and other interest amounted to $2,786,070 in 1930 and depreciation and depletion allowance for the year amounted to $1,666,524.

This outline is sufficient explanation as to why Abitibi common stock has dropped to as low as 4 this year as compared with a high a few years ago above 80 and why the preferred stock has dropped to 12. Abitibi bonds are also quoted below 60 in spite of their record and the financial strength of the company because of the general recognition of the extraordinary pressure on the financial strength of all pulp and paper companies.

Abitibi Operates from Quebec to Manitoba



The above layout shows the principal interests of Abitibi Power and Paper Co., one of the largest newsprint producers on the American continent. Plants are located in Quebec, Ontario and Manitoba, while water power sites have been developed in Quebec and Ontario. The whole represents a capital outlay running into many millions of dollars.

Controls Many Companies

The company now owns the entire capital stock of the following companies:

Name of Company	No. of Shares	Par Value	Date of Incorporation
Manitoba Paper Co.:	35,000	none	5-12-1928
St. Anne Paper Co.:	100,000	none	5-4-1928
Murray Bay Paper Co.:	50,000	none	5-4-1928
Kaministiquia Power	40,000	none	10-1-1925
Ontario Power Service Corp.:	20,020	none	in 1930
Abitibi Electric Development:	20,005	none	6-8-1925
Iroquois Falls Drug:	60	$100	....
Mattagami R. R. Co.:	2,500	$100	4-5-1927
Thunder Bay Paper Co.: (50% owned)	100,000	none	in 1927

Can Develop 1,000,000 H.P.

Water powers developed, undeveloped, and under construction are in the neighborhood of 1,000,000 h.p. The developed and developing water powers are shown in the following table:

	H.P.
Abitibi River:	
Abitibi Canyon*	275,000
Island Falls	60,000
Iroquois Falls	25,000
Twin Falls	30,000
	390,000
Elsewhere:	
Smooth Rock Falls	9,500
Sturgeon Falls	20,000
Espanola	20,000
Kaministiquia	35,000
Sault Ste. Marie	18,000
Murray Bay	8,600
Total	500,100

*Under construction. Undeveloped water powers, including 100,000 h.p. at Abitibi Canyon, are estimated at between 450,000 and 500,000 h.p.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	1,500,000 sh.	*1,088,117 sh.
Pref. 7% cum. ($100 par) ..	$1,000,000	$1,000,000
6% cum. ($100 par)	$50,000,000	†$34,881,800

†Including 916 shares deposited for exchange of shares of Spanish River Pulp & Paper Mills, Ltd.

*Including 1,918 shares deposited for exchange of shares of subsidiary companies.

Funded Debt—
5 per cent first mortgage bonds, series A, due 1953; outstanding $50,000,000.

Dividend Record—
Common—Initial dividend on new no par value paid at the rate of $4 per annum on April 20, 1928, followed by similar payments on July 20, and Oct. 20, 1928. None since.
Preferred—7 per cent per annum, cumulative, payable quarterly. Initial dividend paid Jan., 1917. All arrears paid during 1919. Dividend paid quarterly since.
6 per cent per annum, cumulative, payable quarterly; initial dividend paid April 20, 1928, and regularly to April, 1931; passed July 1, 1931.

Officers and Directors—
Officers—George H. Mead, chairman of board; Alexander Smith, pres.; W. A. Black, vice-pres.; L. R. Wilson, vice-pres. and man. dir.; George R. Gray, vice-pres.; W. H. Smith, asst. man. dir.; J. E. Patterson, mgr. of operations; T. Broadhurst, sec.; L. B. Popham, asst. sec.; H. Young, treas.; D. J. Cormack, asst. treas.
Directors — Alexander Smith, Chicago, Ill.; Sir Thomas Tait, Victor E. Mitchell, D.C.L., K.C., A. J. Brown, K.C., W. A. Black, Montreal; George H. Mead, Dayton, Ohio; George E. Challes, W. K. George, T. H. Watson, L. R. Wilson, W. H. Smith, Toronto; George R. Gray, Sault Ste. Marie, Ont.; W. H. Carter, Winnipeg.

Market Record—

	7% Pref. H	7% Pref. L	6% Pref. H	6% Pref. L	Common H	Common L
1917	90	88½	..	..	58½	48
1918	90	90	..	..	57½	48
1919	110	90	..	..	292½	48
1920	97½	85	..	..	355 *87	248 49½
1921	89	83	..	..	58	22
1922	100	83½	..	..	71	30
1923	100½	98	..	..	74	56½
1924	103½	97	..	..	69	53
1925	110	101	..	..	76½	61½
1926	115	106¾	..	..	98	70½
1927	126¾	115	..	..	150½	82
1928	130	103	102⅝	76	162 †85	140½ 36½
1929	145	106	88	71½	58½	35
1930	110	103	86½	36½	42½	8½
1931‡	105	80	50	12	13¾	3½

*New no par value stock.
†After two for one split.
‡To September 15.

ABITIBI POWER & PAPER CO.
CONSOLIDATED INCOME AND SURPLUS ACCOUNT, YEARS ENDED DEC. 31

	1930 $	1929 $	1928 $	§1927 $	§1926 $
Net earnings	†7,374,337	†8,377,247	†7,380,964	†4,213,489	4,254,594
Less: Deprec. & depletion ...	1,666,524	1,713,211	1,716,815	546,422	597,819
Int. on fund. debt & other interest	2,786,070	2,552,231	2,818,108	762,493	539,780
Prov. for inc. tax	.. ....	......	......	......	155,000
Net profits	2,921,743	4,111,805	2,846,041	2,904,574	2,961,995
Less dividends:					
Pref. of Prov. Paper	245,000	......	......	......	......
7% preferred	70,000	70,000	70,000	70,000	70,000
6% preferred	2,092,908	2,092,908	1,459,325	......	......
Common	......	......	2,255,416	1,250,000	1,062,500
Subsid. shares	......	......	179,437	......	......
Surplus for year	513,835	1,948,897	‡1,118,137	1,584,574	1,829,495
Add: Previous surplus	*61,595,530	59,145,391	x59,719,008	7,847,894	6,984,106
Adj. of inventories	......	......	544,520	......	......
Less: Transfer to deprec. ...	......	......	......	1,092,492	965,707
Trans. to invest. res.	500,000	......	......	......	......
	61,609,365	61,094,288	59,145,391	8,339,976	7,847,894

† After income tax.
x Including undistributed profits of companies now consolidated of $16,801,768 after deduction of bond discount and premiums on securities redeemed. ‡ Deficit.
§ Prior to 1928, statements are not consolidated.
* Includes earned surplus of Provincial Paper Limited, after deduction of $125,000 paid in January, 1930, to former common shareholders of that company.

	1930	1929	1928	1927	1926
Times All Interest Earned:					
Before depreciation	2.65	3.28	2.72	5.53	7.88
After depreciation	2.05	2.61	2.00	4.91	6.78
Earnings per Share and Dividend Record:					
7% Preferred: Earned	$267.67	$411.18	$284.60	$290.46	$296.20
Paid	7.00	7.00	7.00	7.00	7.00
6% Preferred: Earned	7.47	11.59	7.95	...	...
Paid	6.00	6.00	6.00	...	...
Common: Earned	0.47	1.97	*1.33	11.33	11.57
Paid	...	...	‡3.00	5.00	4.25

* Based on new n.p.v. common stock. ‡ Paid on new n.p.v. common stock.

PROVINCIAL PAPER

Business Falls Behind Last Year But Dividends Earned

Although business of Provincial Paper, Ltd., is running from 15 to 20 per cent behind the volume of business obtaining a year ago, the reduction has in no way, it is believed, endangered the strong financial position of the company. Earnings are expected to be sufficient to cover the preferred dividend requirements, and unless 1932 falls behind the level of 1931 informed opinion expects dividends to be continued through that year as well.

Although it is soon to estimate business for the last quarter of 1931, the business of the company does not show great seasonal variations, and it is expected that it will not differ greatly from the experience already had in the year. Taking it for granted that the last quarter will be up to the average of other quarters at least, the company should be able to put aside $250,000 for depreciation and pay bank and bond interest as well as the preferred dividend.

Is Owned by Abitibi

The entire issue of 100,000 no par value common shares is owned by Abitibi Power & Paper Co. This control was only acquired in January, 1930. The company itself was originally established in 1909 and operated as Provincial Paper Mills Co., holding company for the St. Lawrence Paper Mills and the Barber Paper & Coating Mills. It took over the properties and assets of these companies in 1916 and in 1920 was re-incorporated as Provincial Paper Mills, Ltd., absorbing the Port Arthur Pulp & Paper Co. in which it had obtained a controlling interest. The present company was incorporated in 1927 to take over assets of Provincial Paper Mills. It is the intention of Abitibi Power & Paper to continue the company as a separate unit under the same management and policies as previously.

Provincial Paper manufactures and distributes high-grade book, coated and writing papers made in five plants, two located at Georgetown, Ont., and one each at Thorold, Milles Roches and Port Arthur. The total capacity of all the company's plants is about 190 tons daily. The company owns the entire stock of Provincial Paper Sales, which operates sales agencies throughout Western Canada. This company was formerly known as John Martin Paper Co., and was obtained in 1926.

Reduces Bonded Indebtedness

In 1916 the capitalization of the company was $2,481,300 common stock and $1,700,000 preferred stock. In 1920 three shares of common stock were given for two shares of old common and the preferred was exchanged share for share. The new common capital therefore was thereafter shown at $3,500,000. In March, 1927, Dominion Securities Corp. offered common shareholders $135 for each share of $100 par value and the preferred was called at $107. New preferred stock to the extent of $3,500,000 was issued to the public and this is the sole stock of public investment interest at the moment.

At the end of 1930 funded indebtedness stood at $5,000,000 of 5½ per cent first mortgage sinking fund bonds due 1947. There had been a reduction of $300,000 in 1929.

The company also leases about 2,500 square miles of timber limits located north of Lake Superior.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.) ..	100,000 shs.	100,000 shs.
7% cum. pref. ($100 par) ..	$3,500,000	$3,500,000

Funded Debt—
5½ per cent first mortgage bonds, Series "A," due 1947; outstanding $5,000,000.

Dividend Record—
Preferred—7 per cent per annum, payable Jan., April, July and Oct. 1. Initial payment July 1, 1927, and quarterly since.
Common—$1.25 paid in 1930.

Officers and Directors—
Officers—S. F. Duncan, pres.; T. A. Weldon, vice-pres.; W. S. Barber, sec.-treas.
Directors—S. F. Duncan, T. A. Weldon, Alex. Smith, L. R. Wilson, A. F. White, E. R. Wood, W. H. Smith, all of Toronto.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Net earn. from oper.	995,747	1,109,249
Add: Other income ..	....	26,839
Total net earnings ..	995,747	1,136,088
Less: Depreciation ..	250,000	250,000
Bond and bank int.	229,559	251,620
Res. for bad debts .	....	10,000
Res. for inc. tax and conting.	......	40,000
Net profits	516,188	584,468
Less appropriations:		
Pref. dividends ...	245,000	245,000
Com. dividends	125,000	....
Surplus for year	146,188	339,468
Add: Prev. surplus ..	526,243	186,775
Balance forward	672,431	526,243
Times All Interest Earned:		
Before deprec.	4.34	4.52
After deprec.	3.25	3.52
Earnings Per Share and Dividend Record:		
Pref.: Earned	$14.75	$16.70
Paid	7.00	7.00
Common: Earned .	2.71	3.39
Paid	1.25	...

BROWN CORP.

Canadian operations of the Brown Co., New Hampshire, are carried on at La Tuque, P.Q., through the Brown Corporation. This subsidiary has been in operation for more than 25 years and now has a large modern sulphate pulp mill, the output of which is sold to the parent organization. Of late years, considerable attention has been paid to the production of chemicals, principally turpentine. Output of the plant at capacity amounts to about 240 tons of sulphite kraft daily, in addition to which there is a substantial production of kraft cows and paper cores.

The resources owned by the Brown Corp. include water power to the extent of about 150,000 h.p., a small percentage of which has been developed. The company has adequate timber holdings to take care of requirements for many years to come, owning about 1,000,000 acres of freehold timber lands, 2,000,000 acres of leasehold timber lands, and cutting rights on about 160,000 acres.

At one time there was a direct Canadian investment interest in this company, through the preferred stock, but this has since been retired by the Brown Co., of New Hampshire.

Capitalization—	Authorized	Outstanding
Common	$12,500,000	$12,500,000

Entire stock owned by Brown Co.

Funded Debt—
None.

Officers—
H. J. Brown, pres., Portland, Me; O. B. Brown, vice-pres. and treas.; W. R. Brown, asst. treas.; and D. P. Brown.

Minas Basin Pulp

Public investment interest in the Minas Basin Pulp and Paper Mill, at Hantsport, N.S., is negligible. This company operates a modern high grade groundwood pulp mill, output being marketed with the Scott Paper Co. in the United States.

Production varies between 30 and 40 tons of air-dried pulp every 24 hours. The plant is so constructed that an additional unit can be installed at relatively low cost.

The company owns its own timber area of some 50,000 acres and in addition has leased areas and also purchases wood direct from farmers.

Financing of this undertaking has been of a private character. There is outstanding $100,000 of 7 per cent cumulative preferred stock and $150,000 of common, all of which is closely held.

Capitalization—	Outstanding
Common	$150,000
Preferred 7%	100,000

Newsprint Sets Pace

Newsprint paper made up 85.2 per cent of the total reported tonnage of paper manufactured in 1929. The percentage remained practically unchanged in 1930.

Trend is Favorable

In the pulp and paper industry, a tendency toward a more complete and profitable utilization in Canada of raw or partly-manufactured materials is clearly indicated.

Government, Municipal and Corporation Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Specify Donvale Covers and Don Bristol Board

DON VALLEY PAPER
CO. LIMITED
TORONTO, ONTARIO

Machinery & Supplies for Pulp & Paper Mills

DIESEL ENGINES for the tug that tows the logs and to power slashing and loading station.
ELECTRIC MOTORS to power the mill.
TRANSMISSION EQUIPMENT to carry power to the machines.
COAL PULVERIZING PLANTS to give steam, and PIPE, VALVES and FITTINGS to control it.
STOCK PUMPS to propel material in process.
SCALES to speed the measurement of raw and finished material.
TOOL ROOM EQUIPMENT for shop maintenance.
MILL SUPPLIES of all sorts.

In these (and in many other ways) we serve the Pulp and Paper Industry

The CANADIAN Fairbanks-Morse COMPANY-Limited
HALIFAX SAINT JOHN QUEBEC MONTREAL OTTAWA TORONTO HAMILTON
KITCHENER LONDON WINDSOR FORT WILLIAM WINNIPEG REGINA
SASKATOON CALGARY EDMONTON VANCOUVER VICTORIA

ROLLAND

PAPERS of DISTINCTION

Canada's finest papers are identified by the famous "R" Shield watermark—the symbol of quality for half a century.

For letterheads, ledgers, policies, contracts, inter-office forms and all commercial stationery requirements there is a dependable Rolland paper.

Rolland papers are carried in stock by paper merchants from coast to coast and can be supplied by all good printers and lithographers.

ROLLAND PAPER CO. LIMITED
High Grade Paper Makers Since 1882
MONTREAL - - QUE.
Branch Office: Toronto, Ont.
MILLS AT ST. JEROME, QUE. AND MONT ROLLAND, QUE.

NEWFOUNDLAND

AND LABRADOR

possess one of the most extensive pulp and paper areas in the world with record production and overwhelming resources

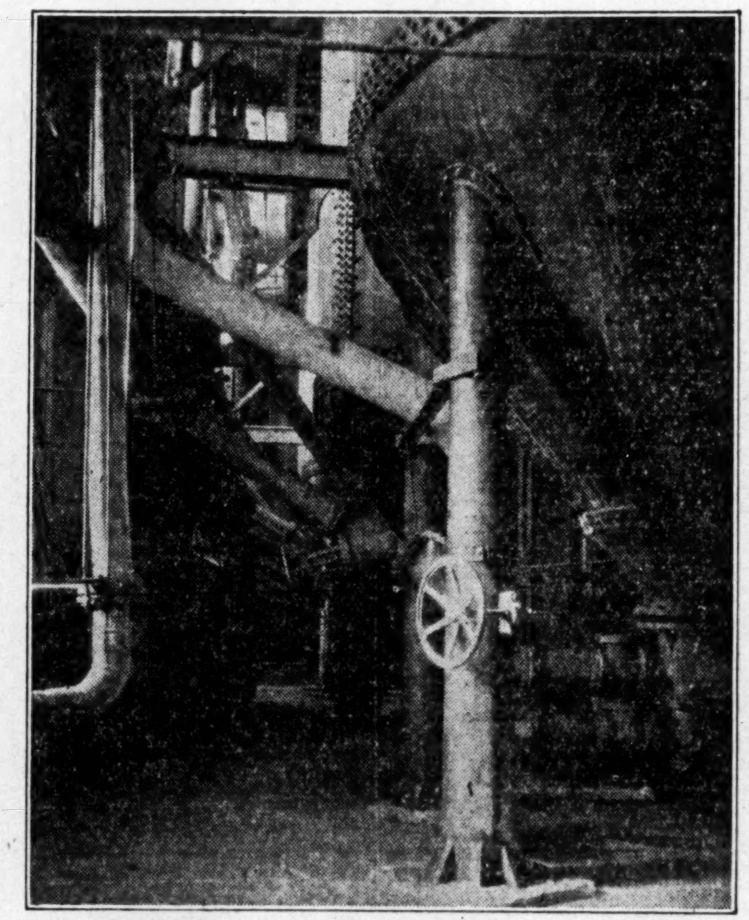
THE evidence of the export figures of Newfoundland give a striking picture of the progress being made in the pulp and paper industry. The figures are as follows:

	Pulp and Sulphide	Manufactured Paper
1924	$531,833	$ 5,225,170
1925	215,896	6,907,800
1926	175,325	12,347,475
1927	56,801	12,896,832
1928	......	12,707,326
1929	......	14,722,462
1930	......	16,129,736

Production of news print paper during the first eight months of 1931 was 4,726 tons more than the tonnage during the similar period of 1930. Newfoundland's record of news print output is as follows:

	Tons
1923	63,906
1924	64,648
1925	96,588
1926	186,471
1927	202,852
1928	230,852
1929	255,500
1930	287,259
1931 (eight months)	194,967

While the production of United States and other mills has been declining Newfoundland shows a steady increase. In the last few years news print paper has ranked first in the exports of the island dominion, and seems likely to maintain that position for some years to come.



View inside the Corner Brook mill of International Power & Paper Co.

DURING the latter part of 1930 and during 1931 to date the Corner Brook mills in Newfoundland have continued to operate at full capacity in spite of the heavy decline in newsprint consumption, and despite the fact that newsprint mills generally, all over the continent, have been operating at far below capacity.

The output for 1930 averaged 515 tons a day as compared with 483 tons in 1929.

This year an average daily output of 593 tons has been attained.

These steady increases in output have been accompanied by material reductions in operating costs of Newfoundland producers.

Such progress figures amply demonstrate the low cost of paper production in Newfoundland.

MANY factors contribute to the excellent showing of the newsprint manufacturing industry of Newfoundland. Costs of production are low due to the ease with which wood can be got out in winter, to the somewhat lower wage levels prevailing, to low cost power, and also to the important factor of low seaborne transportation charges.

Newfoundland looks forward to playing an increasing part in the production of paper, not only for American newspaper publishers, but for British publishers.

There is an enormous amount of virgin spruce wood in Labrador estimated as a hundred million cords, representing seventy million tons of paper. This pulpwood could be manufactured into paper on tidewater in Labrador or brought to Newfoundland at low cost by steamship, converted into newsprint paper and inexpensively shipped across the ocean or sold to United States users.

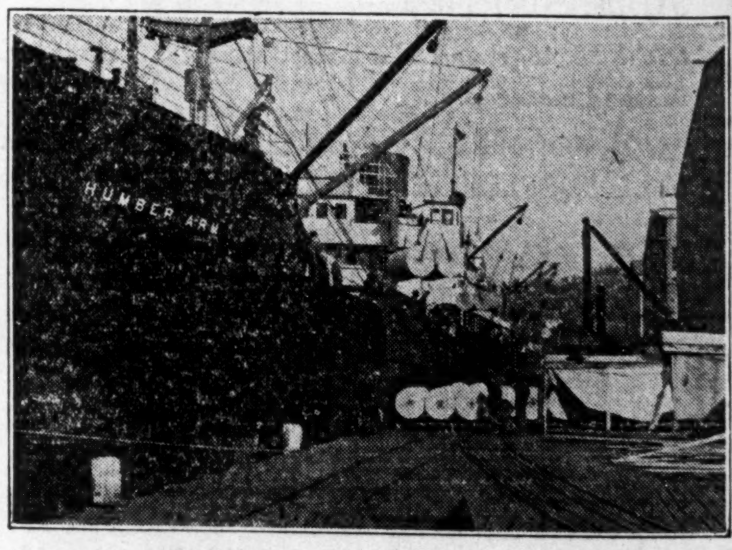
Newfoundland possesses abundant water power on its island home to take care of the production of all this paper and then have plenty to spare for many other industrial developments.

Woods operations in winter months.

For Further Information Apply

The Minister of Agriculture and Mines

Government Building
St. John's, Newfoundland



Newsprint is carried to Atlantic ports in the producers' own specially constructed steel vessels.

CONSOLIDATED PAPER CORP.

Newly-formed Organization Takes Over Canada Power and Subsidiaries—Plan Provides for Heavy Cut in Capitalization and Virtual Elimination of Funded Debt Charges Over Next Five Years

Out of the wreckage of Canada Power and Paper, one of the most ill-conceived mergers carried out in this country for many years past, has arisen Consolidated Paper Corp. designed to bring order out of chaos and to save as much as possible for the unfortunate investors.

It is only three short years since Canada Power came into being. Like Topsy, it "just growed." Port Alfred Pulp and Paper Corp. was absorbed. Then came Wayagamack Pulp and Paper, followed with Anglo-Canadian Pulp and Paper. With these acquisitions was secured the Anticosti Corp.

No Cash Involved

In all these transactions no cash was involved. Laurentide, St. Maurice, Wayagamack, Port Alfred, and Anglo-Canadian all came in on a stock exchange basis. In the case of the latter, Canada Power and Paper guaranteed the principal and interest on the company's bonds and dividends on the preferred stock.

The net result of this high financing, was to give Canada Power and Paper a capitalization consisting of roughly $35,400,000 of debentures, and 1,521,750 shares of common stock. But ranking ahead of both of these securities was over $100,000,000 of the subsidiary companies' securities, the carrying charges of which (including the company's own debentures) amounted to over $7,000,000.

Economies Not Evident

It is difficult to see, even at this time, why these companies should have been merged. The location of plants, timber limits, etc., made it difficult to bring about any economies in operation. On top of that there did not appear to be any centralized management in the ordinary sense of the term. The old managements were absorbed by Canada Power and the net result was a huge unwieldy structure, which, under boom conditions, might have succeeded, but, under normal conditions, could not survive.

Lack of Tonnage

Beginning in 1928 the amount of tonnage available for Canadian newsprint mills became insufficient for the conducting of profitable operations. Various attempts were made to stabilize the situation, including the formation of the Newsprint Institute of Canada. The provincial governments of Ontario and Quebec took a hand in the affairs, with unfortunate results.

Conditions surrounding Canada Power and Paper were no different from the other organizations in so far as tonnage was concerned, but competitors were in a stronger position having regard to capital obligations and overhead expenses.

Secured New Contracts

Realizing that, if Canada Power was to meet all its capital obligations, more business was necessary, the management made strenuous efforts to secure more tonnage. To that end it offered various inducements to publishers to sign long term contracts. In some instances the company was successful, but, the general result was to bring about greater confusion in the newsprint market.

Secure Hearst Contract

Last year developments arose which resulted in an alliance with the Hearst newsprint buying organization, which may have far-reaching influence upon the success of the newly incorporated Consolidated Paper.

Hearst has been the stormy petrel in the newsprint industry. He is known as being a hard bargainer, and on more than one occasion has upset the applecart. Being the largest consumer of newsprint, he is vitally interested in securing cheap supplies of newsprint. To that end he took an interest in the formation of a company, having for its aims the construction and operation of a 1,000-ton mill in Newfoundland. Early negotiations with the Newfoundland Government were unsuccessful. Then Canada Power came into the picture.

Hearst made a contract with the subsidiary of his own organization, namely, the Dominion Newsprint Co., to supply all his newsprint requirements on the expiration of present contracts. It was the opinion of a few observers at the time, and has since become the general opinion, that Hearst was using the Dominion Newsprint Co. as a threat to secure lower prices from his regular sources of supply. It is now generally conceded that Hearst had no immediate intentions of going ahead with the Newfoundland development.

Take Over Agreement

At this time an agreement was entered into between Canada Power and the Hearst organization, whereby the former acquired a substantial interest in the Dominion Newsprint Co., on a stock exchange basis. Following up this transaction, the contract made by Hearst with the Dominion Newsprint Co. was transferred to Canada Power. The amount of tonnage involved is approximately 540,000 tons a year. This contract does not become effective, however, as pointed out, until such time as present contracts expire. Any benefits which may accrue from this agreement, are not expected to start until the end of 1934, when the Hearst contract with International Paper expires.

While this move placed Canada Power in a potentially strong position, it did not relieve present problems, such as securing sufficient tonnage to return the company enough revenue to pay its overhead charges and capital obligations.

Need for Reorganization

It was recognized throughout the industry that the company was in bad financial shape and that sooner or later it must go under, unless steps were taken to correct the situation. With this uncertainty overhanging the industry, combined with generally low operations, the situation was far from being encouraging.

While realizing that the whole enterprise was ill-conceived and heavily over-capitalized, it was believed that with a capitalization in line with proper asset values and current earning power, the company had definite possibilities.

In order to save whatever was possible from the wreckage, there was organized a special protective committee for the security holders of Canada Power and Paper, and its subsidiaries. This commission, headed by the Hon. Charles Dunning, thoroughly investigated the affairs of the company. It took into consideration its obligations to the banks, contracts on hand, future contracts, trend of consumption, prices, contractual obligations and all matters bearing upon the welfare of the company.

Terms of Exchange

After exhaustive investigations, the committee publicly announced last June its scheme for the reorganization of the company. The offer made to security holders follows:

Belgo-Canadian bondholders receive $125 of new first mortgages and 1 share of common for each $100 held.

Preferred shareholders of the same company receive 3 new shares of common for each $100 of preferred stock held.

Wayagamack Pulp & Paper bondholders receive $125 of new mortgage bonds and 1 share of common for each $100 face value of bonds held.

Port Alfred bondholders receive $100 of new mortgage bonds and 1 share of common stock for each $100 face value of bonds held, while the preferred shareholders receive 1½ shares of common for each $100 of stock held.

St. Maurice Valley bondholders receive $100 of new mortgage bonds and 1 share of stock for each $100 of present bonds—either series. Sterling debenture stockholders are treated in the same way. The preferred stockholders receive 1½ shares of new common stock for each $100 of stock held.

Anticosti Corp. bondholders receive $100 of new mortgage bonds and 1 share of stock for each $100 of present bonds. The preferred stockholders receive 1½ shares of new common stock for share of preferred.

Canada Power & Paper debenture holders, both series, receive $15 of new mortgage bonds and 1½ shares of stock for each $100 of debentures held.

Common stock shareholders of Canada Power & Paper receive one share of new stock for each 10 shares held.

Purposes of Plan

Primarily the plan was drawn up along lines to relieve the company of many onerous inter-company obligations and to provide the organization with a capitalization which would permit it to carry on through the present unsettled times and eventually pay in interest and dividends a reasonable return on the capital set-up. Whether or not such will be the outcome of the plan remains to be seen.

Briefly plans covered the following provisions:

Formation of a new company known as Consolidated Paper; elimination of all classes of securities by the replacement with a first mortgage bond and no par value common stock;

Cutting capitalization (bonds, debenture and preferred stock) from $103,832,266 to $52,627,596;

Eliminate Fixed Charges

Replacing first mortgage bonds of subsidiary companies by a new bond, with common stock compensation for loss of interest; conversion of all subsidiary companies' preferred stock and Canada Power and Paper debentures into new no par value common stock; elimination of fixed charges for a period of five years;

Dropping of Anglo-Canadian Pulp and Paper from Canada Power and Paper's set-up; return to the former company of all stock, together with a net working capital of $1,500,000;

Abolishing all guarantees existing between subsidiary companies;

Providing for adequate banking accommodation and working capital;

Providing for the proper carrying out of the plan, by the nomination of a majority of the board of directors.

Give New Life

The cuts in capital value and subsequent lightening of fixed charges provides the organization with a chance of getting back on its feet and eventually—it is hoped—develop a good earning power.

Distribution of Securities

Just how the different security holders fared under the plan will be seen from the following detailed analysis of distribution of the new securities in relation to old holdings:

DISTRIBUTION OF BONDS

Old Face Value	Security	New Face Value
$ 8,240,500	Belgo-Canadian ..	$10,300,625
3,527,600	Wayagamack	4,409,500
14,999,667	Port Alfred	14,999,667
8,836,225	St. Maurice .A ..	10,836,225
2,000,000	St. Maurice B ...	
5,192,500	Anticosti	5,192,500
7,110,120	Laurentide (held by banks)	
35,466,700	Canada Pwr. 'L' Canada Pwr. 'W'	6,320,005
		†51,058,522

* Will be exchanged by banks on a par for par basis.

† Does not include following bonds carried forward unchanged from old company:

Wayagamack News	$1,431,774
Ha, Ha, Bay Co.	137,300

DISTRIBUTION OF COMMON STOCKS

Old	Security	New Common Shs. of No Par Value
$ 8,240,500	Belgo-Can. bonds	$ 82,405
$ 5,000,000	Belgo pref.	150,000
$ 15,000	Belgo com.	*60
$ 3,527,600	Wayagamack bds.	35,276
‡57	Wayagamack com.	*62
$14,999,667	Port Alfred bonds	149,996
$ 6,000,000	Port Alfred pref.	90,000
‡383	Port Alfred com.	*96
$10,836,225	St. Maurice bonds	108,362
$10,000,000	St. Maurice pref.	150,000
‡104	St. Maurice com.	*26
$ 5,192,500	Anticosti bonds ..	61,925
$ 3,000,000	Anticosti pref. ..	45,000
$35,466,700	Can. Power debs.	532,000
‡1,521,750	Can. Power com.	152,175
	Total	1,547,383
	Issued under plan	11,547,141
	Difference	*242

* Represented by minority shares in subsidiary companies.

‡ Shares.

A cursory examination of the above terms makes it clearly evident that the security holders were faced with a sharp depreciation in the face value of their securities.

By this time the unfortunate position of the company was generally appreciated by the public. The market value of all classes of securities had dropped to only a fraction of their face value. Unless steps were taken to dewater the stock and to place a proper valuation upon assets, the company could not hope to survive under current conditions and bankruptcy was in sight.

Opposition to Scheme

There were many, of course, who did not consider the terms set forth in the committee's scheme as being equitable or just. The principal opposition developed from the bondholders and preferred stock holders of Belgo-Canadian Paper Co. The security holders contended that their property was a profit-making one and that inasmuch as the company was on a paying basis, it should receive better treatment. The protective committee of the bondholders and preferred stock holders was formed and though actively in opposition the security holders protective committee was successful in securing the deposit of a majority of the securities for this and all other companies.

Declare Plan Effective

Last month the plan was formally declared effective and when certain legal formalities have been complied with, Consolidated Paper will take over the control of Canada Power and Paper and its numerous subsidiaries. It is expected that all legal details will be cleared up before the end of the year.

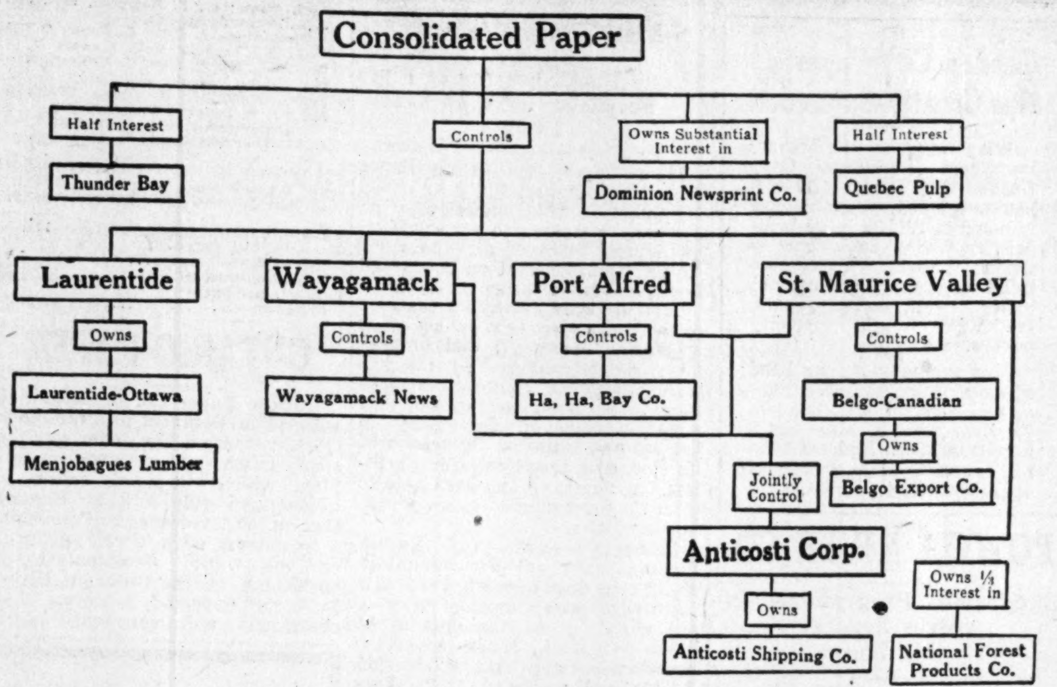
With the final winding up of Canada Power there will pass out of existence an enterprise which was not a credit to the Canadian corporation field.

Hope for Company

Looking to the future, there are many of the opinion that Consolidated Paper will eventually take its position as one of the sound industrial organizations. The years immediately ahead do not offer much promise for the newsprint manufacture, but by the end of the five-year period, Consolidated Paper will begin to receive the benefit of the Hearst agreement.

With capital obligations eliminated during the period and adequate working capital assured, expectations are that the company will ride through the present period of depression and when fully realizing upon the Hearst contract, will be in a position to initiate and maintain regular payments to the security holders.

Until such time, the stock of the company is essentially a long-hold proposition, fraught with speculation yet offering possibilities over the next ten years.



CANADA POWER AND PAPER CORP.
Capitalization, May 1, 1931
(Excluding Anglo)

*Bonds	$ 44,365,566
Debentures	35,466,700
Preferred	24,000,000
Total	$103,832,266

Common—1,521,750 no par value shares.

Estimated Capitalization Consolidated Paper Corporation
(Excluding Anglo)

*Bonds		$52,058,522
**Wayaga. News Co.	$1,431,774	
***Ha, Ha, Bay Co. .	137,300	1,569,074
Total		$ 52,627,596

Capital stock—1,547,141 no par value shares.

*In addition to the above bonds, a further $8,000,000 (approximately) of new bonds will be issued in exchange for a like amount of Laurentide first mortgage bonds now pledged as collateral to bank loans.

**Guaranteed British Treasury, bonds not exchanged. ***Bonds not exchanged.

Basis of Exchange—

Canada Power and Paper debenture holders to receive $15 of new first mortgage bonds and one and one-half shares of new stock for each $100 of present debentures—Laurentide or Wayagamack series. Shareholders receive one share of new stock for each ten present shares.

Directors—

Committee's Directors—L. J. Belnap, pres.; F. G. Daniels, Montreal; Norman J. Dawes, Montreal; Hon. C. A. Dunning, Montreal; Col. H. D. Lockhart Gordon, Toronto; Ross H. McMaster, Montreal; E. A. Macnutt, Montreal; John J. Rudolf, New York; Charles F. Sisè, Montreal.

Shareholders' Directors—Harold Crabtree, Montreal; W. H. Howard, K.C., Montreal; Beaudry Leman, Montreal; Charles E. Neill, Montreal; and Arthur B. Purvis, Montreal; Hon. S. C. Mewburn, K.C., C.M.G., Hamilton.

CANADA POWER & PAPER CORP. CONS. INCOME, CAPITAL & SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $
Profit & inc. from oper. & invest. ...	6,184,955	8,604,723
Less: Res. for deprec. and depletion	....	2,521,878
Bond & deb. int.:		
Subs. companies .	2,935,896	2,480,284
Canada Pwr. & Paper	1,950,289	1,706,654
Net profit	1,298,770	1,895,907
Less approp. (divds. subs. cos.):		
Divds. paid, pref. & com. subs.	1,750,000	1,769,999
Surp. for year (subject to inc. tax) ..	*451,230	125,908
Add: Prev. surplus	†13,236,393	
Less: Int. & exp. applic. to cap. acct.	232,686	
Prov. for depr. of invest.	§4,717,795	
Prior year adjust...	138,147	
Surp. acct. balance ..	7,696,535	‡‡
Add: Capital acct. ...	‡19,465,409	
Increased during yr.	††675,475	
General reserve ...	13,636,371	
Bal. carried fwd. ...	41,473,790	

*Deficit before depreciation and depletion. N.B. Had usual depreciation and depletion charges been made, loss for 1930 would have been $2,382,040.

†Balance at credit of consolidated surplus accounts as at December 31, 1929, and including surplus balances at date of acquisition of various companies.

§Provision for excess of book value of certain investments over market value.

‡Represented by 1,218,000 common shares of no par value.

††Represented by 303,750 common shares of no par value issued for Anglo-Canadian Pulp & Paper Mills.

‡‡Data not available.

Times Bond & Deb. Int. Earned:

	1930	1929
(a) Before deprec. & depletion	1.27	2.06
After deprec. & depletion	*0.78	1.62
(b) Before deprec. & depletion	0.77	2.55
After deprec. & depletion	*Nil	1.07

(a) Bond and debenture interest of subsidiary companies and Canada Power & Paper Corp.

(b) Debenture interest of Canada Power & Paper Corp., after making provision for bond and debenture interest and preferred dividends of subsidiary companies.

*No depreciation and depletion charges were made in 1930.

Earnings per Share and Divd. Record:

	1930	1929
Pref. (subsidiary cos.):		
Earned	*10.15%	15.01%
Paid	7.00%	7.00%
Common:		
Earned	*Nil	$0.10
None paid.		

Note—The preferred stocks of the subsidiary companies, amounting to $32,000,000 in 1930, $24,000,000 in 1929, constitute a prior charge on the profits of the company, before making provision for parent company's debenture interest.

*Before depreciation and depletion.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Common ...	4½	½	19½	4	89½	17

*To Sept. 16.

BELGO CANADIAN PAPER
(Controlled by Consolidated Paper Corp.)

Old Capitalization—	Authorized	Issued
Com. ($100 par)	$8,500,000	$8,500,000
Pref. 7% cum. red. ($100 par)	5,000,000	5,000,000
6% 1st mtge. bds. due 1943	10,000,000	8,240,500

Basis of Exchange—

Bondholders to receive $125 of new first mortgage bonds and one share of new stock for each $100 of present bonds.

Preferred shareholders to receive three shares of new stock for each present preferred share.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Pref.	55	10	101	65	107	98

*To Sept. 16.

ANTICOSTI CORPORATION
(Controlled by St. Maurice Valley Corp.; Wayagamack Pulp & Paper Co. and Port Alfred Pulp and Paper Corp., all controlled by Consolidated Paper Corp.)

Old Capitalization:	Authorized	Outstanding
Com. shs. (n.p.v.)	60,000 sh.	60,000 sh.
Pref. 7% ($100 par) ...	$6,000,000	$3,000,000
1st mtge. 6½% bonds, due 1941*	10,000,000	5,192,500

*Interest due Aug. 1, 1931, was not paid.

Basis of Exchange—

Bondholders to receive $100 of new first mortgage bonds and one share of new stock for each $100 of present bonds.

Preferred shareholders to receive one and one-half shares of new stock for each present preferred share.

ST. MAURICE VALLEY
(Controlled by Consolidated Paper Corp.)

Old Capitalization:	Authorized	Issued
Com. (n.p.v.)	500,000 sh.	160,000 sh.
Pref. 7% cum.	$10,000,000	
($100 par)		$5,800,000
($5 par)		4,200,000
6% 1st mtge. & coll. trust bonds due 1945 "A"	15,000,000	8,836,365
5½% series "B" due 1957		2,000,000

Interest due on Series "A" June 1, 1931, was not paid.

Basis of Exchange—

Bondholders to receive $100 of new first mortgage bonds and one share of new stock for each $100 of present bonds—Series "A" or "B."

First mortgage registered debenture stockholders to receive £20 of new first mortgage sterling debenture stock and one share of new stock for each £20 of present first mortgage registered debenture stock.

Preferred shareholders to receive one and one-half shares of new stock for each $100, or for each 20 shares of $5 (£1) each, of present preferred stock.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Pref.	30	4	91	50	99	90

*To Sept. 16.

PORT ALFRED PULP & PAPER
(Controlled by Consolidated Paper Corp.)

Old Capitalization	Authorized	Outstanding
Com. (n.p.v.)	120,000 sh.	120,000 sh.
Pref. 7% cum. ($100 par).	$6,000,000	$6,000,000
5½% 1st mtge. bonds, due 1957	35,000,000	14,999,667

Interest payable May 1, 1931, was deferred.

Basis of Exchange—

Bondholders to receive $100 of new first mortgage bonds and one share of new stock for each $100 of present bonds.

First mortgage registered debenture stockholders to receive £20 of new first mortgage sterling debenture stock and one share of new stock for each £20 of present first mortgage registered debenture stock.

Preferred shareholders to receive one and one-half shares of new stock for each present preferred share.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Pref.	40	10	91	45	100	90

*To Sept. 16.

WAYAGAMACK PULP & PAPER
(Controlled by Consolidated Paper Corp.)

Old Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	250,000 sh.	133,333 sh.
6% 1st mtg. bds. due 1951	$5,000,000	$3,835,900

Basis of Exchange—

First mortgage bondholders to receive $125 of new first mortgage bonds and one share of new stock for each $100 of present bonds.

LAURENTIDE CO.
(Controlled by Consolidated Paper Corp.)

Old Capitalization:	Authorized	Outstanding
Com. ($100 par)	$35,000,000	$28,800,000
6% 1st mtge. bonds*	15,000,000	7,110,120

*Authorized Dec. 29, 1930, and issued for banking purposes. Will be exchanged by banks on a par for par basis.

Daily Rated Capacity of Consolidated Paper Division

Owns or controls—	No. Newsprint Machines	Newsprint Paper Tons	Kraft Paper Tons	Board & Wrapper Tons	Building Board Tons	Sulphite Pulp* Tons	Kraft Pulp* Tons	Groundwood Pulp* Tons
Belgo Canadian Mill	8	642	...	..	..	...	...	...
Laurentide Mill	9	389	...	50	..	...	...	...
Port Alfred Mill	4	500	...	..	15	100	...	...
St. Maurice Mill	4	263	...	25	..	...	...	...
Wayagamack Mill	2 plus 7 Kraft	170	130	..	..	...	130	...
		1,964	130	75	15	100	130	...
Owns half interest in—								
Thunder Bay Paper Co. Ltd...	2	†123	...	..	..	...	...	...
Quebec Pulp & Paper Mills Ltd.		...	...	..	..	...	...	‡250
		2,087	130	75	15	100	130	250

* Surplus pulp available for sale. † Representing half of daily rated capacity of 246 tons.
‡ Representing half of daily rated capacity of 500 tons (plant inoperative).

"RHINO"
Digester Finish

"RHINO" is Acid Proof
"RHINO" is Moisture Proof
"RHINO" Seals Radiation
"RHINO" is a Perfect Protection

Standard With Most Mills

Manufactured by
INTERNATIONAL PAINTS (CANADA) LIMITED
6700 Park Avenue Montreal, Canada

THE
E. B. EDDY COMPANY
LIMITED

Specializing in Bond Papers, Book and Writing Papers, Towels and Toilet Tissues, Paper Serviettes, Newsprint, Wrapping Papers, etc., etc.

CHENEAUX BOND
An inexpensive Bond Paper that looks and wears like the more costly sheets. Has Appearance, Printability and Serviceability. For invoices, order forms, salesmen's reports, letterheads, cheques, circulars, bills of lading, etc. Available in white and eight distinctive colours; White in 16, 20 and 24 pound weights. Coloured in 16 and 20 pounds.

TOILET TISSUE
Canada's standard of Tissue quality and value. "Cottage", "White Swan", "Navy", and "Dreadnought" Rolls are safe, sanitary and economical for every bathroom. "Onliwon" Tissue and the neat, compact "Onliwon" Tissue Cabinet have won merited popularity everywhere.

KRAFTEX WRAPPING
Here is a truly worthy product of the Eddy Mills. A sturdy, serviceable wrapping paper that will stand lots of hard usage. Made to resist extra heavy strain. Available in sheets or rolls.

PAPER TOWELLING
Ideal for the public washroom. Eliminates laundry bills. Cuts down overhead costs. Soft as any linen towel and far more sanitary.

Makers of a wide range of high quality papers for commercial, professional and domestic purposes.

HULL - CANADA

ST. LAWRENCE CORP.

Management Eliminate Dividends in Order to Conserve Liquid Resources Through Uncertain Period—Operations Are Curtailed

Deferment of dividends by the operating subsidiaries placed St. Lawrence Corp. in a position of having to eliminate the dividend on its own "A" preferred stock.

This step was anticipated in view of the demoralized conditions in the newsprint industry and the uncertainty in regard to the outlook. Operations of all companies have been carried on on a limited basis for many months past, while the recent cut in newsprint prices has not helped to improve earning power.

As a result of the consolidation of St. Lawrence Paper Mills, Brompton Pulp and Paper, Lake St. John Power and Paper, St. Lawrence Corp. now ranks as one of the principal North American newsprint producers. Properties owned by the company include four newsprint mills having a total production capacity of 1,100 tons per day. These mills are all located in Quebec, at Three Rivers, East Angus, Dolbeau and Bromptonville.

Diversification of products is obtained by the manufacture of paper board at East Angus, various grades of kraft paper at East Angus, Claremont, and Bellows Falls, N.H., the two last being the mills of the Claremont Paper Co., a wholly owned subsidiary.

Has Effected Economies

It is stated that the consolidation has made possible certain administrative and other economies of which advantage has been taken. At the end of last year, the company had a satisfactory liquid position, with current assets exceeding current liabilities in the ratio of 8 to 1. Early in the year the management took steps to curtail woods operations and inventories are held in control and in fair relation to the present rate of production.

Immediate outlook for St. Lawrence Corp. is much the same as for other newsprint producers—restricted output, low prices, and limited earning power. The points in favor of the company, from the investment point of view, are good management, up-to-date mills and low operating costs. There does not appear to be any reason to anticipate increased earnings this year, nor possibly next year.

With conditions in the industry on an improved basis, St. Lawrence Corp. is in a good position to take advantage of the change.

Capitalization—	Authorized	Outstanding
Common .... (n.p.v.)	*2,000,000 sh.	559,016 sh.
4% Pref. class "A" cum., conv. red. .... (Par $50)	$15,000,000	$14,640,700

*Of this amount 200,000 shares are reserved for exchange against shares covered by outstanding subscription warrants and 22,500 against options to subscribe of St. Lawrence Paper Mills Company and 600,000 shares for conversion rights of Class "A" preferred shares of the company.

Funded Debt—
None.

Dividend Record—
Preferred—4 per cent per annum, cumulative payable Jan., Apr., July and Oct. 15. Paid regularly from July 1930 to Jan. 1931; reduced to rate of 2 per cent with payment April, 1931; none since.
Common—None paid.

Officers and Directors—
Officers—N. A. Timmins, chairman of board; Ernest Rossiter, pres.; A. F. White, vice-pres.; H. W. Cressy, vice-pres. in charge of sales; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.
Directors—Ernest Rossiter, N. A. Timmins, J. I. Rankin, Sir Charles B. Gordon, G.B.E., Lt.-Col. Herbert Molson, C.M.G., M.C., Gordon W. Scott, C.A., R. O. Sweezey, A. K. Cameron, H. C. Flood, R. W. Steele, Montreal; H. A. Clark, A. F. White, George R. Cottrelle, Toronto, Ont.; E. W. Pittman, New York.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1930	†1929
	$	$
Op. prof. after inc. tax	2,759,875	3,206,463
Less: Deprec.	750,209	802,792
Depletion	237,422	....
Bond int.*	325,000	325,000
Deb. int.*	195,000	195,000
	1,252,244	1,883,671
Less Divs. on subs. stocks:		
Pref., St. Law. P. Mills	855,000	855,000
Pref., Brompton P. & P.	40	138
Com., Brompton P. & P.	222,218	....
Net profit	174,986	1,028,533
Less appropriations:		
Divd. on class "A" of St. Law. Corp.	377,782	600,000
Surplus for year	**202,796	428,533
Add: Prev. surplus .	2,280,506	....
Less: Addl. cr. to depr. res. for 1929*	148,857	....
Other adjustments .	4,289	....
Bal. carried fwd. ...	1,924,564	....

*Lake St. John Power & Paper Co.
**Deficit.
†Statement showing earnings of combined companies before consolidation.

Earn. per Share and Div. Record:

Class "A": Earned	$0.60	$3.43
Paid	‡1.50	...
Common: Earned .	...	0.73
Paid	...	...

‡Three payments for period corporation was in operation.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L
Pref. "A"	12	2½	27¼	7⅝
Common	4	½	8¼	2½

*To Sept. 17.

ST. LAWRENCE PAPER

Dividends Are Eliminated in Order to Maintain Position

Controlled by St. Lawrence Corp.

With operations on a lower scale, the price of newsprint reduced, and the outlook for the industry as a whole uncertain, directors of St. Lawrence Paper Mills took steps last spring to conserve resources and to that end the dividend on the preferred shares was reduced from $6 to $3 each. On July 15 last, directors took the final step of deferring all dividends.

The elimination of dividends on the preferred stock strengthens the company's financial position and should bring about an increase in working capital. There are $14,250,000 preferred shares outstanding, on which the annual dividend requirements amount to over $850,000. No dividends have been paid on the common stock, all of which is owned by St. Lawrence Corp.

Central Figure in Deal

It will be recalled that St. Lawrence Paper Mills was the central figure in a deal which resulted in the control of this company, Brompton and Lake St. John Power and Paper passing to St. Lawrence Corp. This deal was effected on a stock exchange basis, though a cash transaction was involved when St. Lawrence Paper Mills acquired all of Lake St. John Power outstanding preferred stock.

St. Lawrence Paper Mills operates a six machine mill, with a capacity of 450 tons of newsprint daily, at Three Rivers, P.Q. This unit is generally regarded as being one of the low cost producers and due to its location, is in an advantageous position to market its products at a low transportation cost.

Operations of the company over the past year or so, however, have been on a limited basis, owing to the fact that this company is a subscriber to the agreement between a number of the producers in the Newsprint Institute. The company is understood to have sufficient contracts on hand to enable it to operate its plants at a higher capacity, but owing to the terms of this agreement, has had to hold down operations.

The company, directly or through its subsidiary, has licenses from Quebec, covering nearly 800 sq. miles of timber limits along the Magpie and St. John Rivers, over 340 sq. miles along the River Du Loup and over 300 sq. miles along the water shed of the Big Trinity, Little Trinity and Calumet Rivers. These limits are estimated to contain 9,000,000 cords of pulpwood. In addition the company has a contract up to and including 1943 for 50,000 cords of pulpwood each year. Aggregate pulpwood resources are therefore estimated to be sufficient for 40 years operating at capacity of 80,000 tons a year, or equivalent to the maximum output of eight machines similar in size to the six already installed.

Dividend Outlook Uncertain

No immediate hope for resumption of dividends can be held out to holders of the company's preferred stock. Dividends are dependent upon income of St. Lawrence Paper Mills and not of St. Lawrence Corp. Examination of the company's report for the fiscal year ended June 30, 1930, showed that it earned $6.85 a share against dividends of $6. For the calendar year—1930—it is reported that the company earned $4.97 a share after depreciation and depletion.

The lower price for newsprint is to be considered a factor in holding back a resumption of dividends. Until the improvement in operating conditions is more than just a temporary affair, preferred shareholders will have to forego dividend payments.

ST. LAWRENCE PAPER

Capitalization—	Authorized	Outstanding
Common ..... (No par value).	1,000,000 sh.	†515,000 sh.
Pref., cum. red. (Par $100).	$19,000,000	$14,241,875

†Upon completion of exchange all issued common shares will be owned by St. Lawrence Corp., Ltd.

Funded Debt—
None.

Dividend Record—
Preferred—6 per cent per annum, cumulative, payable Jan., April, July and Oct. 15. Paid regularly from July 1928 to Jan., 1931; payment April, 1931 reduced rate to 3 per cent; none since.
Common—None paid.

Officers and Directors—
Officers—Ernest Rossiter, pres. and gen. mgr.; N. A. Timmins, chairman; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.
Directors—Ernest Rossiter, N. A. Timmins, H. C. Flood, J. I. Rankin, G. W. Scott, R. W. Steele, all of Montreal.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L
Preferred	30½	10	72	27

*To Sept. 17.

LAKE ST. JOHN

Lake St. John Power and Paper Co., is one of the three principal subsidiaries of the St. Lawrence Corp. As operations and financial statement are merged with those of the holding company, details are not available as to the current position or progress of this enterprise.

This is one of the newer enterprises in the newsprint industry, construction of the plant having started in 1926 and the first full year of operation carried out in 1928.

Lake St. John Power and Paper's plant is located at Dolbeau, P.Q., and is equipped with two machines of 125 tons newsprint capacity per day. Operations are not carried on on that scale, however, as the company's output is restricted in line with that of other members of the Newsprint Institute of Canada. During the fiscal year of February 28, 1929, production amounted to 64,535 tons. It is doubtful if current operations are on that scale, as the controlling company is more likely to be concentrating in its low-cost mill at Three Rivers.

Hold Hearst Contract

One of the principal features of the situation surrounding Lake St. John is a contract which the company has with Hearst, which calls for delivery of 78,000 tons annually for a period of ten years. This contract expires about 1938, by which time it is expected that the demand for newsprint will have increased so that the company can replace this tonnage, which under a recent agreement, will go to Consolidated Paper.

In respect to resources, Lake St. John has approximately 1,000 square miles of timber limits, held under lease from the Quebec Government, and estimated to contain 6,000,000 cords of pulpwood. It has its own water power development of 20,000 h.p. on the Misstassini River.

The only direct investment interest in Lake St. John rests in the first mortgage bonds. All of the preferred stock is owned by the St. Lawrence Paper Mills Co., while the common stock is held by the St. Lawrence Corp., which was secured on the basis of an exchange of seven-tenths of a common share for each share of common stock of Lake St. John.

LAKE ST. JOHN POWER

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	100,000 shs.	100,000 shs.
Pref. 7% cum. (Par $100).	$4,000,000	$3,600,000

99 per cent of common owned by St. Lawrence Corp., all preferred owned by St. Lawrence Paper Mills Co.

Funded Debt—
1st mortgage bonds, series "A," 6½ per cent, due 1947, outstanding $5,000,000.
Mortgage debs., series "A," 6½ per cent, due 1942, outstanding $3,000,000.

Officers and Directors—
Officers—Ernest Rossiter, pres.; R. W. Steele, vice-pres.; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.
Directors — Ernest Rossiter, R. W. Steele, N. A. Timmins, A. M. Creighton, R. O. Sweezey, all of Montreal, Que.

BROMPTON PULP

There is no direct investment interest in Brompton Pulp and Paper Co., all of the common stock having passed into the hands of St. Lawrence Corp., a holding company for Lake St. John Power and Paper and St. Lawrence Paper Mills. Consequently no official information is published on the current earning power or operations of the company, this data being consolidated with that of the parent organization.

Assets of the Brompton Co. consist of plants at Bromptonville and East Angus, P.Q., with an aggregate capacity of 225 tons of newsprint, 55 tons of box boards and 25 tons of kraft, manila and fibre papers per day. The company also controls a subsidiary organization operating in New Hampshire, with a plant capacity of 70 tons of kraft and 85 tons of fine bond and other papers daily.

In respect to timber limits, the company and subsidiaries, own 282,102 acres of freehold land and 633,757 acres of Crown timber leases, estimated to contain over 5,900,000 cords of pulpwood. The company has practically the exclusive use for logging purposes of the St. Francis River above the location of the company's mill to its head waters. This facilitates logging, transporting timber cut by the company or purchased from independent operators along the river.

Capitalization—	Authorized	Outstanding
*Com. (n.p.v.)	500,000 sh.	*300,000 sh.

*Upon completion of exchange all outstanding shares will be owned by parent company.

Funded Debt—
The company has no direct outstanding funded debt, but has guaranteed the principal and interest on $611,000, 6 per cent first mortgage bonds of its subsidiary, McCrea Wilson Lumber Co., Ltd., which mature in 1939, and also other obligations amounting to $161,923.

Dividend Record—
Common—None at present. $2 per share per annum paid regularly from 1926 to Jan., 1931; reduced to quarterly payment of 25c April 15, 1931; none since.

Officers and Directors—
Officers—Ernest Rossiter, pres.; R. W. Steele, vice-pres.; C. R. McCort, gen. mgr.; A. M. Creighton, sec.; A. C. Davy, asst. sec.
Directors—N. A. Timmins, J. I. Rankin, R. O. Sweezey, R. W. Steele, Ernest Rossiter, Montreal; G. R. Cottrelle, A. F. White, H. A. Clarke, Toronto.

Garden City Paper Has Greatly Expanded

With mills at St. Catharines and Merritton, Ont., Garden City Paper Mills Co. has developed, since it was founded in 1911, a large business in varied lines such as tissue papers, high-grade toilet papers, roll and cabinet paper towels, waxed papers, and light weight specialty papers.

This company has its head office at Merritton. The managing director is Leo E. Charles, who is also secretary-treasurer. Richard Carroll is manager in charge of operations at the mills.

POWELL RIVER CO.

Expansion Programme Involves Several Millions

Powell River Co.'s programme of improvement and expansion has been nearly completed. Several million dollars are involved in the scheme, which has already resulted in increasing the newsprint capacity of the plant to 650 tons daily, as well as providing an additional 22,000 h.p. of electrical energy.

In four expansion periods, spread over 20 years, the Powell River Co. has invested over $30,000,000 in the newsprint mill at Powell River, B.C.

Between 1924 and 1927, when the plant capacity was raised from 250 to 500 tons, in the neighborhood of $10,000,000 was expended. Today the plans of the company call for an ultimate expenditure of $13,000,000, of which approximately $8,000,000 has been spent on the present extension at Powell River and on the hydro-electric development at Lois River.

New Current Additions

During the current year a new machine room, to accommodate two additional machines, operating its speed up to 1,400 feet a minute, was erected. The seventh machine was installed and brought into operation, while an eighth machine will be set in place when market conditions warrant it. A new grinder room, with sixteen grinding machines, and additions to the existing steam plant, a new sixteen ton digester and several other minor installation, were included in the construction programme.

Build Transmission Line

The hydro-electric development undertaken in the Lois River watershed, 15 miles south, of Powell River, is the outstanding feature of the present expansion programme. The expansion meant a new power source; the transmission of power by wire in place of direct penstock connection.

The Lois River project is being developed in two stages. For the immediate purpose of plant expansion, a 22,000 h.p. generator was installed at Stillwater, at the mouth of the Lois River. From here the power is transmitted direct over high tension wires to Powell River.

Build up Community

Coincident with the present plant extension, the subsidiary work is well advanced. Over 30 new homes have been erected by the company at Powell River, a company community, a new athletic oval with grandstand and cinder track, and extensions to the golf course, which was built and is maintained by the company.

Largest Coast Producer

Powell River Co. is the largest producer of newsprint on the Canadian Pacific coast. The product is sold to newspapers along the Pacific coast and east of the Rocky Mountains, in Kansas City and elsewhere.

The location of the mill at a good harbor 72 miles north of Vancouver, enables the company to export its paper economically to Australia, New Zealand, South America and to Europe.

Last spring Powell River Co. obtained special orders for pink newsprint for the sporting editions of La Critica, one of the largest newspapers in South America.

Have Three Agencies

About the beginning of the year, arrangements were entered into with Blake Moffitt and Towne whereby this firm handled the distribution of Powell River products in the Western States. This arrangement is said to be working out advantageously and there has been a substantial pick-up in sales. George F. Steele & Co., New York, still look after Eastern and South American business, while Carmichael & Co. look after the company's Australian interests.

High Grade Products

Some idea of the extent of the company's newsprint operations may be gathered from the fact that over 10,000,000 feet of timber are each month converted into pulp and paper. Some of this comes from the company's own plants, but a great proportion is bought in the open market from independent logging operators. An ideal pulp is made from about 40 per cent spruce with a mixture of hemlock and birch. Spruce is a scarce timber and a part of the present supply is bought from as far as the Queen Charlotte Islands. The raw materials for paper-making, however, are in sight of so many years to come that they are considered almost inexhaustible.

There is little Canadian investment interest in this enterprise, the financial backing coming from the Brooks interests in Minneapolis.

Capitalization—	Authorized	Outstanding
Common .... (Par $100.)	$4,500,000	$3,500,400
Preferred ...... (Par $100.)	5,500,000	5,250,600

Stock is closely held.

Funded Debt—
Serial gold notes, 5 per cent, due 1930 to 1932, $750,000 each; 1933, $500,000; outstanding $2,750,000.

Officers and Directors—
Officers—M. J. Scanlon, pres.; S. D. Brooks, executive vice-pres.; E. Brooks, and P. A. Brooks, vice-pres.; A. E. McMaster, gen. mgr.; A. S. Brooks, treas.
Directors—A. S. Brooks, M. J. Scanlon, F. T. Griffiths, S. D. Brooks, A. E. Mcmaster.

Heavy Purchasers of Power

Electricity purchased for power only by the Canadian pulp and paper industry represents an outlay of nearly $15,000,000 a year. Quebec mills are the heaviest purchasers.

World's Largest Producer

Canada now contributes between 35 and 40 per cent of the world's production of newsprint.

MERSEY PAPER

Make Good Showing in First Full Year of Operations

Operations of the Mersey Paper Co. during its first full year ended December 31, 1930, showed that the company was able to earn sufficient money to cover allowance for depreciation, interest on bonds and loans, and leave a surplus of $172,702. This is in favorable contrast to the reports brought out by other newsprint operators, and emphasizes the advantages of the all-water shipping route of Mersey Paper, compared to the rail and water routes of the mills in Quebec and Ontario. By reason of its low cost transportation facilities, the company has been able to compete for business on an advantageous basis.

During the past year, Mersey Paper turned out approximately 65,000 tons of newsprint, which was disposed of at an average price of $60 per ton. In the opinion of Colonel C. H. L. Jones, president, expectations are that production for 1931 will amount to 77,000 tons of newsprint, which would keep the plant operating at capacity throughout the year.

Mersey Paper came into being late in 1928 and in December of the following year, commercial production was started at the Liverpool, N.S., plant which has a daily capacity of 250 tons.

It owns freehold timber limits estimated to contain approximately 1,800,000 cords of pulpwood. An additional supply of pulpwood, estimated at 1,500,000 cords will be made available over a period of 30 years from 1928. Power is secured under favorable contract from the Nova Scotia Power Commission.

Has Many Advantages

Though Mersey Paper was initiated and brought into production at a time when the newsprint industry was in an unsettled state, the fact of its plant being located on tide water, with excellent low-cost transportation to New York and other Atlantic sea ports, enabled it to successfully compete for business.

All of the 1931 output has been sold at a price which will bring a satisfactory return to the company and the contracts have been negotiated covering the plant's output for the next ten years, according to Colonel Jones.

Up to date, Mersey Paper Co. has carried out public financing in the form of $2,000,000 of general mortgage bonds. This sum, of course, falls far short of covering the amount invested in plant, timber, equipment, shipping, etc. Up to the present, capital expenditures have been made by loans secured from the bank.

According to the balance sheet of December 31, 1930, Mersey Paper has outstanding the following obligations, which will likely be funded when conditions are opportune, special bank loan of $3,000,000 secured by $5,000,000 of first mortgage bonds; $1,229,979 of mortgages on property, including $1,000,000 mortgage on timber limits and £46,434 in respect to the purchase of the steamship Markland. Notes payable include $94,302 secured by liens on property.

It will likely be some time before Mersey Paper Co. carries out any additional public financing due to unsatisfactory prevailing market conditions for pulp and paper securities.

Capitalization—	Authorized	Outstanding
Common .... (No par value.)	150,000 shs.	150 000 shs.
Pref. cum. red. .. (Par $100.)	$5,000,000	$5,000,000

Funded Debt—
Gen. mtge. 6 per cent bonds, series "A," due 1949; outstanding $2,000,000.
1st mtge. bonds, authorized $10,000,000, outstanding *$5,000,000.
*Issued and deposited with bank as collateral security for loan.

Dividend Record—
Preferred—6½ per cent per annum, cumulative from July 1, 1930, payable quarterly, Jan., Apr., July and Oct. 1. None paid to date.
Common—None paid to date.

Officers—Col. C. H. L. Jones, pres. and gen. mgr.; J. McG. Stewart, K.C., vice-pres.; B. J. Waters, sec.; T. M. Ratchford, treas.; W. F. Kempton, asst. sec.; J. A. Parker, asst. treas.
Directors—Col. C. H. L. Jones, O.B.E., V.D., M.E.I.C.; J. McG. Stewart, K.C.; Col. J. L. Miller, John C. McKeen, Halifax, N.S.; Frank Stanfield, M.P.P., Truro, N.S.; W. H. Chase, Wolfville, N.S.; J. P. Douglas, Montreal, P.Q.

Consolidated Income Account
Year Ended Dec. 31, 1930

	$
Net earnings	852,922
Less: Depreciation	240,000
Interest on bonds and loans	440,220
Net profit, carried forward	172,702
Times Interest Earned:	
Before depreciation	1.94
After depreciation	2.39
Earnings per Share:	
Preferred	$3.45

ONTARIO PAPER

Ontario Paper Co. is continuing with its development programme in Quebec, where it has under way the construction of a large power plant, which will supply energy to a proposed pulp mill at English Bay on the Manicouagan Peninsula.

At present work is well advanced on the initial development of 40,000 h.p. on the Outardes River. It is not expected, however, that operations will commence until after the end of this year. Eventually the company plans for the development of 80,000 h.p. at this site.

Plan Pulp Mill

It is the present plan of the company to transmit electric energy from the Outardes Falls across the neck of the Manicouagan Peninsula, for more than 25 miles, to the site on English Bay chosen by the company for its new mill. Here, when conditions allow the completion of the development, it is proposed to erect a modern plant capable of turning out 300 tons of sulphite and groundwood pulp per day. This output will be shipped in the company's own boats to Thorold, Ont., for further processing into newsprint.

Ontario Paper is one of the largest privately-owned pulp and paper organizations operating in Canada. Control lies with the Chicago Tribune interests, who take practically all the output of the plant, amounting to some 97,000 tons of newsprint and 3,000 tons of wrappers per annum.

The manufacturing facilities of the company are located at Thorold, Ont., while woods operations are centred at Shelter Bay, P.Q. The company owns 2,954 acres of freehold timber limits and holds under lease 2,481 square miles, practically all located in Quebec. In addition the company purchases a large quantity of pulpwood each year.

Capitalization—	Issued
Common	$1,000,000
1st Pref.	2,500,000
2nd Pref.	1,905,700

Officers—
R. R. McCormack, pres.; A. A. Schmon, 2nd vice-pres. and gen. mgr.; D. McLeod, gen. mgr. of mill at Thorold; G. Boisvert, woods mgr.

Large Sums Spent on Rags for Paper

Rags are generally regarded as having little value, but the pulp and paper industry know their value for in 1929 nearly $1,500,000 was spent on rags and waste to be used eventually for the manufacture of fine papers.

Old and waste paper is also regarded highly. In 1929 the industry spent $2,622,000 in purchasing 135,821 tons of waste paper. Straw is another waste product which enters into the manufacture of paper, and the industry's purchases of this item run to over $200,000 a year.

Canada Iron Foundries, LIMITED
HEAD OFFICE — MONTREAL

General Foundry & Machine Work
Grey Iron Castings up to 35 Tons
Flanged Pipe and Fittings

Roll Heading Machines
Flexible Tooth Gap Sprockets

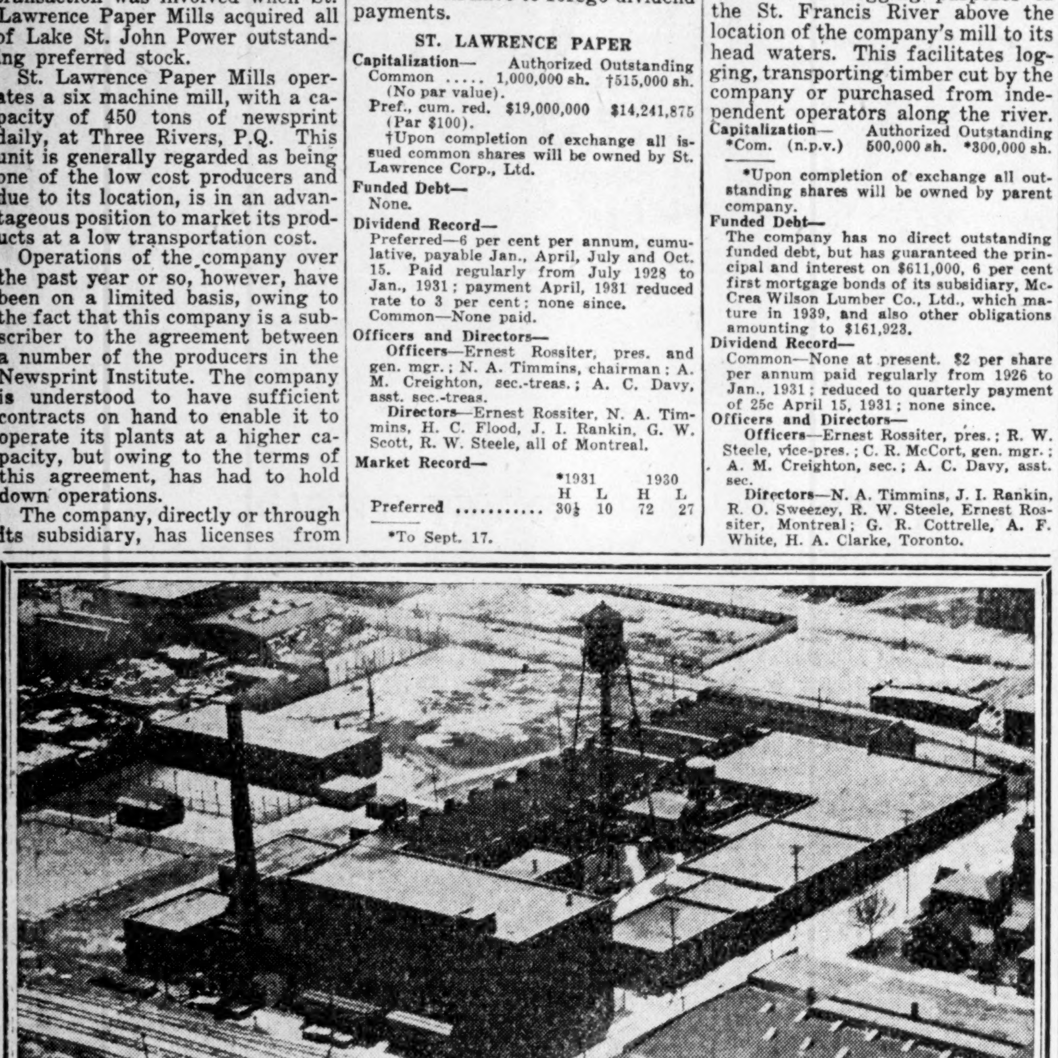
PLANTS:
Three Rivers, Que. Hamilton, Ont.
St. Thomas, Ont. Ft. William, Ont.

For Service

SEVENTY YEARS

SEVENTY years of experience are placed at your disposal when you consult The John Inglis Co., engineers regarding your problems—no matter whether small or large—whether it is the efficient heating of a small store or a large apartment house—the construction of a steel warping tug or a huge hydraulic turbine. This consultation service is free and is at your disposal whenever the need arises—you are invited to make full use of it. The illustration below shows an aerial view of the extensive and modernly equipped Inglis plant of today, located on Strachan Avenue, Toronto. From this you can gain an impression of the vast enterprise and organization of The John Inglis Company Limited.

The John Inglis COMPANY LIMITED
14 Strachan Avenue, Toronto 618 Castle Building, Montreal



Porritts & Spencer Paper Makers' Felts
We specialize on felts for use on machines equipped with suction presses.
PORRITTS & SPENCER (CANADA) LIMITED
Head Office: HAMILTON, CANADA
Agents: Wm. Whyte, 3815 Draper Ave., Montreal, P.Q.; E. S. Dunham, Apt. 2, 3514 Hutchison St., Montreal, P.Q.
Western Agent: A. C. Dunham, 345 West Park St., Portland, Ore.

FOURTH SECTION

THE FINANCIAL POST

FOURTH SECTION

Vol. XXIV — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, SEPTEMBER 26, 1931 — 10c a Copy; $5.00 a Year — No. 39

PAPER EXPORT LARGE FACTOR CANADA TRADE

Contribute Heavily to Favorable Balance of Trade

WIDE DISTRIBUTION

Newsprint Most Important Single Item—Largest Market in United States

Pulp and paper exports are the largest contributing factor in Canada's balance of trade. The attention given to wheat and other agricultural products, destined for overseas consumption, has tended to minimize the importance and wide spread ramifications of the export activities of the pulp and paper industry. This is due, in large measure to the fact that nearly 90 per cent of the total exports are marked for the United States. While pulp and paper exports to other countries are relatively small, yet they are individually important, inasmuch as they tend to show the important place occupied by Canada in international trading.

Aside from pulpwood and pulp, newsprint is by far the principal product exported by the Canadian pulp and paper industry. Examination of the Canadian Pulp and Paper Association's returns on the volume and distribution of this commodity brings about a better realization of the important contribution of newsprint to maintaining Canada's leading position among export nations of the world.

In view of the fact that there is a wide variation in price, depending upon the market, the following survey of Canadian newsprint exports deals with tonnage rather than the dollar value.

Newsprint Exports Large

Last year, Canadian newsprint exports totalled 2,331,011 tons. This was a drop from the record set up in 1929, when 2,519,634 tons of newsprint were despatched to the four corners of the globe. In view of the general depression the world over, this showing was considered very satisfactory, being well above the average of exports for the past five years.

United States is Canada's largest customer for newsprint, accounting for roughly 90 per cent of the total exported. Last year American publishers purchased 2,006,001 tons or approximately 176,00 tons less than in the preceding year. At the present time, Canada supplies in the neighborhood of 50 to 60 per cent of the total American newsprint requirements. Domestic production accounts for little under half of the total, while there is a small volume of imports on European countries.

Other Markets Promising

In the exports of Canadian newsprint to other countries, the manufactures are hopeful of further developments. While the volume shipped to "overseas" markets is relatively small, yet it is of importance in providing an outlet for a production which is not far short of twice the Canadian domestic consumption.

Last year, 325,000 tons of Canadian newsprint went to overseas countries. This was only 12,500 tons less than in the preceding year. Increased shipments were recorded to Cuba, Jamaica, Argentina, South Africa, while the United Kingdom, Australia and New Zealand recorded decreases.

Complete details of exports during 1929 and 1930 follow:

	Tons	
	1930	1929
United Kingdom	134,639	173,555
Cuba	9,733	8,212
Jamaica	1,111	973
Argentina	82,285	42,239
Other Latin America	7,795	8,665
South Africa	15,964	14,451
Australia	45,096	63,136
New Zealand	21,670	23,050
All other	6,707	3,266
Overseas total	325,000	337,547
U. S. A.	2,006,011	2,173,087
Total	2,331,011	2,510,634

The business depression in 1930 has continued into 1931 with the result that there has been a further decline in the demand for Canadian newsprint. In the first half of the current year, the United States took 909,615 tons and the overseas markets 116,056 tons, making total exports of 1,025,671 tons. This compares with overseas exports of 141,378 tons and American exports of 1,026,226 tons in the corresponding half of 1930.

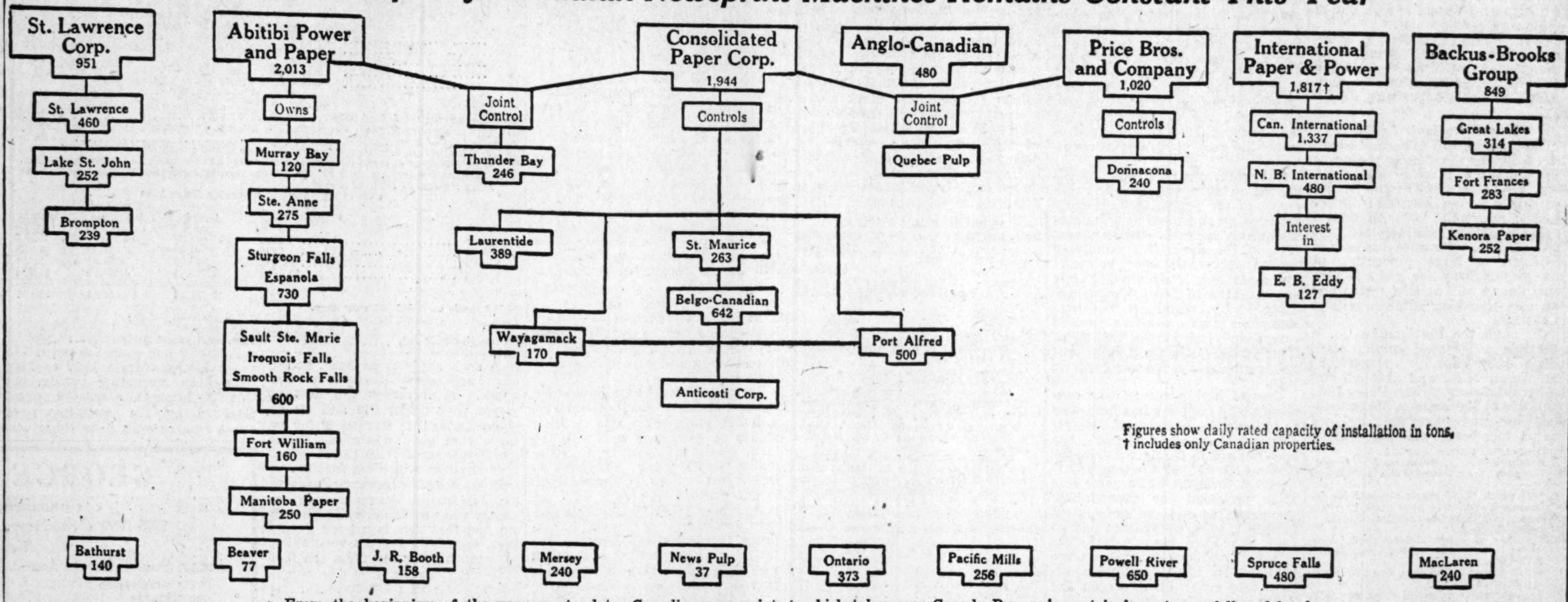
Present indications do not point to any marked increase in the demand for Canadian newsprint from the American markets. Conditions in that area have not shown a change for the better and expectations are that exports for the full year will be from 10 to 15 per cent lower than in 1930.

The manner in which the "overseas" markets held up, has been encouraging to Canadian manufacturers. Though there has been a general decline, outlook for the last half of the year is not unfavorable. The recent change in the Australian tariff is expected to have a beneficial effect upon West Coast production.

Comparative export figures for the first half of 1931 and 1930 follow:

	Six Months Tons	
	1931	1930
United Kingdom	41,781	54,268
Cuba	4,306	4,976
Jamaica	694	744
Argentina	28,907	30,387
Other Latin America	6,062	2,608
South Africa	7,564	8,225
Australia	14,178	26,145
New Zealand	8,355	11,471
All other	9,219	2,559
Overseas total	116,056	141,378
U. S. A.	909,615	1,026,226
Total	1,025,671	1,167,604

Installed Capacity Canadian Newsprint Machines Remains Constant This Year



Figures show daily rated capacity of installation in tons.
† includes only Canadian properties.

From the beginning of the year up to date, Canadian newsprint machine capacity has remained fixed at 12,376 tons daily. This is the highest figure ever reached by the industry and represents an increase of nearly 200 per cent over that in force a few years back. Following upon the shake-up in Canada Power, that organization has given way to Abitibi Power and Paper as having the largest installed capacity of any Canadian operator. Consolidated Paper, which takes over Canada Power, is next in importance, followed by Canadian International Paper, Price Bros., St. Lawrence Corp., and the Backus-Brooks group. There are seven other companies with installed newsprint capacity ranging from 240 tons to 650 tons daily, the balance of the companies having only one or two machines of small capacity.

ROOFING TRADES REPORT INCREASE IN MANUFACTURE

Roofing Paper and Wall-Board Output Worth $6,100,000

Report on the roofing paper and wallboard industry in Canada for 1929, shows a gross value of production amounting to $6,111,633. This compares with $5,844,387 in the preceding year.

According to the report prepared by the Dominion Bureau of Statistics there were eleven plants engaged in the manufacture of composition roofing paper, shingle, saturated felt and sheathing and of insulating and construction board in Canada during 1929. The capital invested in these units was $7,439,641. In the preceding year ten plants reported a capital investment of $4,484,897.

Two Main Divisions

This industry is divided into two divisions, namely, roofing and wallboard. The roofing manufacturers reported an output in 1929 of 1,433, 555 rolls or shares of composition roofing, having a value of $2,627,532; 407,719 squares of composition shingles, to the value of $2,162,145; and 19,516 tons of saturated felt and sheathings, worth $1,598,854. Composition shingles was the only group to show increased values in 1929 as compared with the preceding year.

Wall-board manufacture declared an output in 1929 of 53,829 tons, having a value of $2,687,387. Comparative figures for tonnage in 1928 are not available but the value of output in that year was $4,444,292, as against $5,191,960 in 1929.

MEAL COSTS OPERATORS 25 CENTS EACH

Feeding Men in the Bush Calls for Efficiency

NO ROOM FOR WASTE

Many Diverse Problems and Needs Arise in Feeding Thousands of Men

By J. E. CARON,
Price Bros. & Co.

When we hear old-timer lumberjacks reminiscing on conditions of 40 or more years ago, we see what a great stride for the better has taken place and feel that this branch of the industry has been keeping in step with the rest in improvement.

It must have been quite a problem for the old-time cook to furnish anything like a varied menu from the small variety of food he had at his disposal; but today the men are fed in the bush just as well as they are in the smaller hotels and restaurants, eliminating, of course, some of the fancy service.

To deal with the subject as instructively as possible we will discuss it under five headings:

Purchasing.
Transportation.
Equipment and Hauling.
Labor.
Food and Menus.

To get raw materials or supplies as cheap as possible is the basis for low cost of production. Anyone who has had experience in buying knows that when you have a large order to place you can secure far better prices than if your order is a comparatively small one.

In the case of Price Brothers & Co., their policy has been to give out their cut by contract to small jobbers (which so far has proved the most economical way of logging). However, in recent years, for experimental purposes, generally one logging camp in each district has been operated by the company.

It is stipulated in the jobber's

(Continued on page 30)

Statistics Reflect Easier Position of Pulp and Paper Industry

Production
(Calendar Years)

Newsprint

Year	U. S. production	U. S. Imports from Canada	Canadian production
1930	1,281,502	1,973,698	2,499,631
1929	1,392,276	2,510,634	2,728,827
1928	1,415,000	1,926,277	2,381,000
1927	1,485,495	1,748,404	2,082,830
1926	1,686,695	1,658,240	1,889,208
1925	1,530,000	1,295,000	1,536,523
1924	1,481,000	1,197,000	1,353,000
1923	1,485,000	1,108,000	1,266,000
1922	1,448,000	896,000	1,080,000
1921	1,225,000	657,000	808,000
1920	1,512,000	679,000	875,000
1919	1,375,000	624,000	803,000
1918	1,260,000	581,000	735,000
1913	1,305,000	219,000	350,000

Pulpwood

	Cords
1929	6,536,335
1928	6,328,610
1927	5,929,456
1926	5,621,305
1925	5,092,461
1924	4,647,201
1923	4,654,663
1922	3,923,940
1921	3,273,131
1920	4,024,826
1919	3,498,981
1918	3,560,280
1917	3,122,179
1916	2,833,119
1915	2,355,550

Book and Writing

	Tons
1929	73,502
1928	79,438
1927	75,072
1926	80,403
1925	74,724
1924	67,934
1923	81,120
1922	64,808
1921	53,530
1920	73,196
1919	58,228
1918	48,150
1917	48,141

Wrapping Paper

	Tons
1929	91,374
1928	111,667
1927	102,707
1926	97,057
1925	91,417
1924	89,441
1923	84,912
1922	81,793
1921	52,898
1920	77,292
1919	59,697
1918	61,180
1917	50,360

Paperboard

	Tons
1929	250,061
1928	193,061
1927	161,497
1926	155,469
1925	144,646
1924	135,252
1923	130,582
1922	113,200
1921	89,114
1920	158,041
1919	137,678
1918	87,749
1917	54,080

Bleached Sulphite

	Tons
1929	324,548
1928	304,769
1927	305,125
1926	256,868
1925	227,465
1924	200,764
1923	204,297
1922	146,690
1921	154,804
1920	138,624
1919	109,795

Sulphate and Soda Pulp*

	Tons
1929	265,041
1928	275,322
1927	262,512
1926	256,075
1925	242,207
1924	218,207
1923	224,813
1922	217,862
1921	131,337
1920	188,487
1919	158,475
1912	33,469

*Soda output is small; about 18,000 tons annually.

Unbleached Sulphite

	Tons
1930	581,961
1929	747,652
1928	769,456
1927	710,935
1926	738,235
1925	615,320
1924	567,271
1923	545,371
1922	532,188
1921	322,125
1920	515,649
1919	452,320

Groundwood Pulp

	Tons
1930	1,614,291
1929	2,420,774
1928	2,122,916
1927	1,922,124
1926	1,901,268
1925	1,621,917
1924	1,427,782
1923	1,419,547
1922	1,241,185
1921	931,560
1920	1,090,114
1919	990,902

Exports
(Fiscal Years to March 31)

Total

	Paper	Pulp	Total
1931	$131,948,757	$35,061,689	$167,010,426
1930	151,300,586	44,913,995	196,214,581
1929	148,394,868	44,895,717	193,290,585
1928	134,985,777	47,261,235	182,247,012
1927	123,222,734	49,887,739	173,110,473
1926	110,104,929	49,909,870	160,014,799
1925	99,941,910	41,565,241	141,501,151
1924	96,957,692	46,173,796	143,131,758
1923	79,567,941	42,976,049	122,554,889
1922	69,533,418	35,924,877	105,458,295
1921	92,103,307	71,552,037	163,655,344
1920	63,253,419	41,373,482	104,636,901
1919	49,165,795	34,696,771	83,862,566
1918	37,865,330	25,640,892	63,506,222
1917	26,107,824	20,414,053	46,521,877
1916	20,042,806	8,035,076	28,077,882
1911	3,924,425	4,715,532	8,639,984

Pulpwood

	Cords	Value
1931	1,164,555	$12,040,484
1930	1,345,692	13,869,209
1929	1,406,583	14,187,100
1928	1,501,612	15,182,842
1927	1,536,485	15,400,343
1926	1,310,760	13,056,057
1925	1,423,502	14,168,935
1924	1,330,250	13,536,058
1923	1,384,230	13,525,004
1922	1,011,332	10,359,762
1921	1,092,553	14,617,610
1920	1,247,404	15,778,171
1919	1,070,275	10,593,581
1918	1,349,536	12,999,784
1917	1,017,845	7,922,422
1916	1,068,207	6,866,669

Bleached Sulphite Pulp

	Tons	Value
1931	231,706	$16,122,124
1930	263,510	19,871,813
1929	253,229	19,334,364
1928	242,906	18,608,237
1927	210,493	16,474,469
1926	188,493	14,564,915
1925	185,890	14,049,500
1924	165,869	12,383,645
1923	159,873	13,568,320
1922	151,048	12,112,480
1921	76,801	7,540,128
1920	100,640	15,225,226

Unbleached Sulphite Pulp

	Tons	Value
1931	167,279	$ 7,997,022
1930	212,403	10,451,302
1929	204,872	10,223,379
1928	198,661	10,381,466
1927	228,321	12,826,530
1926	275,133	14,902,166
1925	263,854	14,150,271
1924	222,227	11,611,367
1923	228,003	12,405,995
1922	208,445	10,377,746
1921	127,389	9,122,612
1920	281,854	30,778,486

Sulphate Pulp

	Tons	Value
1931	74,100	$ 4,627,136
1930	129,145	7,442,299
1929	155,183	9,181,924
1928	172,124	10,253,803
1927	165,573	10,249,691
1926	155,638	10,536,898
1925	149,722	9,158,261
1924	140,183	8,331,931
1923	146,345	9,543,758
1922	148,335	9,166,818
1921	99,539	7,199,218
1920	133,146	12,805,460

Mechanical Pulp

	Tons	Value
1931	193,605	$ 5,540,973
1930	224,784	6,482,354
1929	203,149	5,541,243
1928	255,336	7,529,975
1927	343,163	10,337,049
1926	373,053	10,905,891
1925	360,205	10,573,273
1924	253,699	7,916,029
1923	341,108	11,599,323
1922	310,415	9,380,805

Kraft Paper

	Tons	Value
1931	14,120	$1,416,482
1930	15,199	1,655,568
1929	16,575	1,814,166
1928	14,705	1,642,972
1927	17,573	2,051,390
1926	21,587	2,877,770
1925	20,535	2,779,298
1924	21,586	3,222,520
1923	20,364	3,087,957
1922	18,217	2,740,049
1921	6,893	1,295,332
1920	17,727	3,448,516
1919	12,499	1,917,817
1918	13,098	1,767,567
1917	11,311	1,158,348

Newsprint
(Calendar Years)

	Tons	Value
1930	2,331,010	$133,280,932
1929	2,510,633	148,656,611
1928	2,206,587	141,102,527
1927	1,881,865	123,222,094
1926	1,731,986	114,089,595
1925	1,401,655	98,945,337
1924	1,219,384	90,990,717
1923	1,137,963	85,611,258
1922	959,512	68,362,817

Book Paper

	Cwts.	Value
1931	34,237	$310,789
1930	62,028	547,040
1929	80,384	659,316
1928	104,481	718,723
1927	63,465	541,098
1926	50,951	462,473
1925	47,765	434,693
1924	22,874	189,113
1923	48,318	345,956
1922	31,695	225,710
1921	34,167	444,628
1920	58,768	628,118

Bond and Writing Paper

	Cwts.	Value
1931	2,687	$ 23,203
1930	3,403	33,255
1929	4,419	41,266
1928	13,036	107,918
1927	18,850	142,553
1926	12,477	143,806
1925	12,371	98,197
1924	19,939	209,364
1923	23,222	240,535
1922	12,228	132,980
1921	23,698	411,083
1920	55,788	800,037

Paperboard

1931	$2,002,946
1930	2,506,496
1929	2,311,423
1928	2,657,186
1927	2,733,747
1926	$3,273,681
1925	3,170,869
1924	3,336,925
1923	3,248,177
1922	2,328,929

FRASER COMPANIES

Though Improvement in Operating Conditions, Financial Position of Company Forecasts Capital Reconstruction

Conditions surrounding Fraser Companies over the past year have shown some betterment in respect to operations, but from the point of view of finances there is room for much improvement.

The company is faced with heavy liabilities and there is reason to doubt that the company will get back on a sound financial footing without going through a capital reorganization.

The troubles of Fraser Companies developed as the result of the rapid expansion of manufacturing facilities and the breakdown of markets (with the consequent decline in prices) before the expansion programme was complete.

Heavy Loss in 1930

Thus for the year ended December 31, 1930, the consolidated profit and loss account of Fraser Companies showed a deficit* of $4,219,470, after making provision for all charges, including writing off $1,938,215 as a result of the decline in value of inventories.

This poor showing brought about an impairment in working capital position, which was remedied by the borrowing of $4,000,000 from private sources, secured by $5,000,000 of general mortgage bonds.

Pass Debenture Interest

The financial position of the company was so affected that interest on the 6½ per cent, fifteen year debentures, was passed at the beginning of April last. The dividend on the common stock was omitted on December 10, 1929.

It was considered possible that the company would omit the dividend on the first mortgage bonds due at mid-year, but sufficient money was deposited with the banks to cover this obligation.

Work for Improvement

Strenuous measures have been taken by the management and interests closely associated with the company, to bring about an improvement. Operating costs have been reduced, quality of products improved, while lumber inventories have been liquidated as rapidly as possible. The latter work has been handicapped on account of the weakened condition of the market, and prices received have not been particularly good.

Operations of the company appear to be in hand, but the most pressing problem confronting the company is how to meet obligations maturing by the middle of 1932.

Liabilities are Heavy

At the end of last year the company had current liabilities totalling $7,312,277, against which it had current assets of $9,804,680. On the surface this would appear to be satisfactory, but analysis of the current assets shows that of the total of $9,804,680, $8,030,339 represents inventory. The realizable value of these inventories will be known upon the publication of the next report.

On July 1, next year, the company has falling due $3,500,000 of three year 6 per cent convertible notes. In addition, it will have to make arrangements for the redemption of the advance of $4,000,000, which was put up by private interests to provide the company with working capital.

Financing is Unlikely

With these heavy liabilities facing the company, market conditions still very unsettled, lower prices prevailing for pulp, paper and lumber, it is difficult to see at the moment how the company will clear up these liabilities. Under other conditions, it would have been possible to fund the three year notes and advances, as well as bank loans which total over $5,000,000, but this step appears to be out of the question at present.

One solution, therefore, is to rearrange the capital structure of the company with the idea in mind of lowering, or deferring, the company's immediate pressing liabilities.

Has Important Assets

With the return to normal conditions, Fraser Companies' should be in a position to make a better showing. It controls 4,000 square miles of freehold and leasehold timber limits; saw mills with an annual capacity of approximately 100,000,000 ft. b.m. of spruce lumber, in addition to large production of shingles, railway ties, and a bleached sulphite mill at Edmunston and an easy-bleaching sulphite mill at Chatham.

Through the Restigouche Co. it controls a bleached sulphite mill of a daily capacity of 150 tons at Athol, N.B., and through another subsidiary, Fraser Paper Ltd., controls at Madawaska, Me., a modern high-grade paper mill, designed to produce bond, catalogue, waxing paper and paper board.

Capitalization—	*Authorized	Issued
Common (n.p.v.)	500,000 shs.	403,782 shs.

* Of which 12,000 shares are held for debenture holders who have stock purchase warrants attached to their debentures.

Funded Debt—

6% first mortgage sinking fund bonds, series "A," due 1950; outstanding $8,202,000.

6½% coupon debentures, due 1942; outstanding $6,000,000.

6% convertible collateral notes, due 1932, outstanding $3,500,000.

Notes due July 1, 1932, outstanding $4,000.000. Refunding mortgage and coll. trust gold bonds, 5%, due July 1, 1955, outstanding *$5,000,000.

* Deposited as security for $4,000,000 notes due July 1, 1932.

Dividend Record—

Common—$1 per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid April, 1928. Deferred Dec., 1929, and since.

Officers and Directors—

Officers—Archibald Fraser, pres.; K. S. Maclachlan, vice-pres. and gen. mgr.; Donald Fraser, vice-pres.; T. A. Henry, vice-pres. in charge of sales; L. M. Sherwood, vice-pres. of finance and treas.; W. Matheson, vice-pres. of property and sec., Edmundston, N.B.; W. Brebnes, vice-pres. of subsidiary companies.

Directors—Archibald Fraser, Fredericton, N.B.; Donald Fraser, Plaster Rock, N.B.; W. C. Pitfield, Montreal, Que.; W. Matheson, Donald A. Fraser, Edmundston, N.B.; Thomas Matheson, Edmundston, N.B.; George H. Mead, Dayton, Ohio; K. S. Maclachlan.

Consolidated Income and Surplus Account
Years Ended December 31

	1930	1929
	$	$
Net earnings†	278,289	1,419,961
Less: Prov. for decline in inventories	1,938,215	......
Depreciation	628,534	571,850
Depletion	193,857	167,212
Bond interest	612,283	602,346
Deben. interest ...	390,000	390,000
Note interest	210,000	78,738
Other interest	524,870	320,912
Net profit	‡4,219,470	‡711,097
Less appropriations:		
Com. divds.	......	301,048
Surp. for year	‡4,219,470	‡1,012,145
Add: Prev. surp.	937,900	1,950,046
Bal. car. for.	‡3,281,570	937,901

† After taxes and provision for bad debts.
‡ Deficit.

Times All Interest Earned:		
Before depr. & depl.	...	1.02
After depr. & depl.	...	0.49
Earnings per Share and Div. Record:		
Com.: Earned	...	...
Paid	...	0.75

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Com.	3	.90	17½	2½	88½	15

* To September 15.

Fraser Paper
(Controlled by Fraser Companies)

	Authorized	Outstanding
6% 1st mtge. bonds*	$4,000,000	$2,500,000

* Deposited as security, along with all the issued capital stock of the company, for the parent company's first mortgage bonds.

RESTIGOUCHE CO.

Unsettled Pulp Market Affects Financial Returns

Owned by Fraser Cos.

Restigouche Co., owned by Fraser Companies, completed last year an expansion programme which involved an outlay of around $4,500,000. The principal work was the establishment of a modern bleached sulphite mill of 150 tons daily capacity at Athol, N.B. This unit came into operation in May, 1930.

Expected benefits arising out of this development have not materialized to date, owing to the unsatisfactory conditions existing in the pulp market.

In addition to pulp, the Restigouche Co. operates a large sawmill at Campbellton, N.B., which has an annual manufacturing capacity of 30,000,000 ft. b.m. of lumber and 25,000,000 lath, as well as a substantial output of railway ties, telegraph poles, etc. As in the case of the pulp division, the lumber market has been unsettled and the low prevailing prices have made it difficult for the company to realize the profit upon this end of its operations.

Position Indeterminate

The position of Restigouche is rather difficult to define, owing to the fact that no balance sheet is published. The financial statement is included with that of Fraser Companies.

The bonds of Restigouche are the only security in which the public has an interest. The unfavorable financial showing made by the parent company, which guarantees this issue, has not strengthened confidence in the bonds.

The future of Restigouche is closely linked up with that of Fraser's, and any analysis of the merits or demerits of the company's bonds must be considered in conjunction with that of the latter.

RESTIGOUCHE COMPANY
(Owned by Fraser Companies)

Capitalization—	Authorized	Issued
Com. (n.p.v.) ..	250,000 shs.	250,000 shs.

All owned by the Fraser Companies.

Funded Debt—

5½ per cent first mortgage sinking fund bonds, series "A," due 1948; issued $1,900,000.

6 per cent series "B," outstanding $3,100,000.

Issue pledged as security for parent company's issue of 6 per cent, 3-year convertible collateral trust gold notes. Bonds are redeemed as progress at the Athol mill is certified.

Officers and Directors—

Officers—Archibald Fraser, pres.; Donald Fraser, vice-pres.; A. W. Brebner, treas.; W. Matheson, sec.

Directors—Archibald Fraser, Fredericton, N.B.; W. Matheson, A. W. Brebner and Donald A. Fraser, of Edmundston, N.B.; Donald Fraser, Plaster Rock, N.B.; W. C. Pitfield, Montreal, Que.; J. H. Price, Quebec, Que.

SIDNEY ROOFING

Vancouver Plans Are Temporarily Held Over

Plans of the Sidney Roofing and Paper Co., of Victoria, for the establishment of a $250,000 insulation board plant at Vancouver, have been temporarily deferred. The management, has by no means, abandoned the scheme but is awaiting an improvement in business conditions before placing such a large amount of capital into new construction.

This organization has been in operation for a number of years, now having a daily plant capacity of 10 tons of groundwood pulp and 25 tons of box wood, paperboard, felts, building and roofing paper.

Buys Raw Material

In addition to making groundwood pulpwood itself, Sidney Roofing buys large quantities of pulp from the Powell River Pulp and Paper Co. Additional to its extensive plant at Victoria, the firm has another large plant on Granville Island, the industrial area of Vancouver.

There is comparatively little investment interest in this organization, the capital being supplied privately. No financial statement is issued, so that it is not possible to determine whether or not the company is on a profitable operating basis.

Operations are confined largely to the Pacific Coast and on that account its products are not so well known in Eastern Canada.

Capitalization—	Issued
Preferred 7% (Par $100.)	$350,000
Common (Par $10.)	10,000 shs.

Funded Debt—
None.

Industry Takes Lead

The pulp and paper industry has headed the list in wages and salaries distribution since 1922 when it replaced the saw-mills in this respect and it has been first in gross value of products since 1925, exceeding the gross value of flour mill production.

Fuel Bill of $12,000,000

The fuel bill of the pulp and paper plants operating in Canada approximate $12,000,000 per annum. Nearly three-quarters goes toward the purchase of bituminous coal, one half of which is supplied from domestic sources.

Pulpwood Exports Decrease

Exportation of unmanufactured pulpwood is decreasing in quantity and relative importance, while the further manufacture of this raw material into pulp in Canadian mills is increasing at a rapid rate.

CORRUGATED BOX

Keen Competition in Industry Cuts Margin of Profit

Corrugated Paper Box Co. manufactures corrugated paper and solid fibre shipping containers and has attained a distribution for its products across Canada. Competitive conditions in the industry have adversely affected the company but it is understood that liquid position of the company has been fairly well maintained during the current year and will enable the company to take advantage of any increase in demand for its products that may materialize with an improvement in general business conditions.

The company was publicly financed in 1928 and acquired the assets of the predecessor company of the same name and also the controlling interest in Hilton Bros., Ltd., of Winnipeg. The remaining capital stock of the latter company has since been purchased. Plants are operated in Leaside, near Toronto, and in Winnipeg. The Leaside plant is on a site five acres in extent and has 112,000 sq. ft. of floor space. This plant was built and occupied by the company in 1929.

Despite highly competitive conditions, the company has been able to secure a good volume of business although the margin of profit has been low and in the first six months of the current year the company is reported to have shown some loss after provision for depreciation. The preferred dividend due on September 1, 1930, was passed and no payments have been made since although earnings in 1930, before provision for income tax, were sufficient to cover dividends on the 7 per cent preferred stock.

The company has no funded debt but there is a small mortgage on the Winnipeg property. In 1930 bank loans and overdrafts were reduced by over $130,000. At the end of 1930 the ratio of current assets to current liabilities was 4.13 to 1 as compared with 1.40 to 1 the previous year. Inventories were carried at $125,000 at the end of 1930 as compared with $216,000 at the end of 1929.

Capitalization—	Authorized	Issued
Com. (n.p.v.)	100,000 shs.	47,000 shs.
Pref., 7% cum., red. .... ($100 par).	$1,500,000	$830,500

Funded Debt—
None.

Officers and Directors—

Officers—J. S. A. Whealy, pres.; J. A. Gairdner, 1st vice-pres.; J. A. Whealy, 2nd vice-pres. and sales mgr.; A. T. Whealy, sec.-treas. and gen. mgr.; H. Hilton, Winnipeg, mgr.

Directors—J. S. A. Whealy, J. A. Gairdner, J. A. Whealy, A. T. Whealy, Senator J. H. Spence, K.C., O. A. Doherty, Toronto; Henry Hilton, Winnipeg.

Dividend Record—

Preferred 7 per cent per annum, cumulative, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of 1¾ per cent paid June, 1928, and regularly up to and including June 1, 1930; none since.

Common—None paid.

Consolidated Income and Surplus Account
Years Ended December 31

	1930	1929
	$	$
Total net earnings ..	131,191	159,596
Less: Deprec.	44,480	44,633
Writ. off def. chgs., organ. & prel. exp.	26,659	......
Net profit	60,052	114,936
Less appropriations:		
Preference divds. ..	29,067	55,055
Pref. S. F. res. ...	....	11,417
Surp. for year	*30,985	*48,464
Add: Prev. surp.	162,638	125,961
Pref. S. F. reserve written back	11,417	......
Less: Inc. tax (prior yr.)	7,939	11,787
Sundry adjust. (prior year)	656	......
Bal. car. for.	196,445	162,638

* Subject to income tax.

Earnings per Share and Div. Record:		
Preference: Earned†	$7.23	$13.84
Paid	3.50	7.00
Common: Earned†	*0.04	1.03
No dividends paid.		

* After deducting full year's preference dividends. †Before income tax.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Pref.	..	..	90	90	94½	92½

* No sales to Sept. 15.

QUEBEC PULP

All Mills Closed Down as Operations Continue Unprofitable

Controlled Jointly by Price Bros. and Port Alfred P. and P.

After piling up operating losses for several years, Quebec Pulp and Paper Corp. ceased operations last October. Originally the company had three mills, two at Chicoutimi, and one at Val Jalbert, the former with a capacity of 350 tons and the latter 125 tons daily of groundwood pulp. In September, 1929, the company closed down and dismantled the Val Jalbert mill. No. 2 mill at Chicoutimi ceased operations later on and production was confined to No. 1 mill up until last October.

Conditions in the pulp market for some time past have been unfavorable for profitable operations. The management did its best to keep the company out of the "red" but the falling off in demand and low prices made it impossible to show a profit and in order to conserve resources, the management decided to cease all operations.

Keep Properties Up

While the company has not been operating on a profitable basis, care has been taken to keep the properties in first-class shape. The financial structure has also been improved, by the retirement of all the outstanding bonds of subsidiary companies.

Principal assets consist of some 5,000,000 cords of freehold and leasehold pulp wood on the Saguenay and Peribonka water sheds. In addition the company owns through a subsidiary, Saguenay Light and Power, water power sites of a combined potential capacity of 60,000 h.p. of which 30,000 h.p. are developed.

The record of Quebec Pulp and Paper to date has not been any different from that of other pulp producing organizations in this country. The establishment of complete newsprint units and the heavy importations of European pulp into Canada's principal market—United States—has made it particularly difficult for Canadian companies to carry on.

Quebec Pulp and Paper Corp. came into being four years ago when it acquired the assets and business of Quebec Pulp and Paper Mills, which in turn was formed in 1925 as a result of the re-organization by the bondholders of Saguenay Pulp and Power Co., the Chicoutimi Pulp Co., and subsidiaries.

Upon formation of the company some $3,000,000 was paid for all the common stock by Price Bros. and Port Alfred Pulp and Paper Corp. The old bondholders received a small payment of cash and preferred stock in exchange for their holdings in the old company.

At the present time, public investment interest is limited to the preferred stock, for which there is little or no market. No dividends have been paid on the security, inasmuch as the company has reported an operating loss each year since its inception. While the assets behind the preferred stock are of potential value, there does not appear to be any immediate likelihood of exploiting these assets or disposing of them to any of the other operators. Consequently the preferred stock has little attraction to the investor or speculator.

QUEBEC PULP & PAPER

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	100,000 shs.	100,000 shs.
Pref. 7% non-cum., red. (par $100)	$7,000,000	$7,000,000

Common—All held jointly by Port Alfred Pulp & Paper Co., and Price Bros. & Co.

Funded Debt—
None.

Dividend Record—

Preferred—7 per cent, non-cumulative. None paid to date.

Common—None paid.

Officers and Directors—

Officers—A. J. Brown, K.C., chairman of board; A. Stewart McNichols, pres.; C. E. Bergeron and Major Edward Flynn, vice-presidents; Oswald Brand, treas.; J. M. Carignan, sec.; G. W. Hodgson, asst. sec.

Directors—A. J. Brown, K.C., A. Stewart McNichols, George M. McKee, Montreal, P.Q.; John H. Price, J. Leonard Apedaile, C.A., Major Edward Flynn, Quebec; C. E. Bergeron, Port Alfred, P.Q.; C. R. Whitehead, Three Rivers, P.Q.

Consolidated Income and Surplus Account

	12 mos. Dec. 31 1930	12 mos. Dec. 31 1929
	$	$
Pulp sales	......	927,534
Less: Mfg. cost	......	870,588
Invent. adjust	......	*2,367
Net pulp sales	......	59,313
Less: Selling exp. & handling chgs. .	......	105,686
Oper. loss on pulp ..	46,058	46,373
Other revenue	1,766	3,379
Oper. deficit	44,292	42,994
General & admin. expenses	34,280	52,177
	78,572	95,171
Misc. charges net:		
Exps. applic. to non-oper. depts. ..	187,406	180,011
Shrinkage of wood in rivers ...	......	46,954
Bond interest	50	4,375
Loss on sale of furniture	......	864
Net loss	285,244	326,875
Int. & exchange	20,237	16,906
Other income	1,001	887
Loss for period (before deprec.) ...	264,006	309,082
Add: Prev. deficit ..	681,658	372,576
Def. car. forward ...	945,664	681,658

Earnings per Share: Preferred and common, None earned or paid.

MEAL COSTS OPERATORS 25 CENTS EACH

(Continued from page 29)

contract that all his supplies must be taken from the company stores. This action is two-fold beneficial, as it protects the jobber from being exploited, either through a not-too-up-to-date knowledge of market prices, or from buying from a merchant whose volume of business is not large enough to permit him to secure the most advantageous prices. Combining the requirements of the jobbers with our own makes us heavy buyers, and consequently we can secure the most favorable prices which are passed on to the jobber; also the volume is so large that most goods can be brought in by car load lot, thus taking advantage of a much cheaper freight rate.

This central buying saves from 10 per cent to 12 per cent on the value of the goods and 30 per cent on the railway transportation rates.

Most of our logging operations are in fairly close proximity to good farming districts, and we eliminate the middleman's profit by buying beef, pork, vegetables direct from the farmer.

Deliver in Summer

Some years ago most of the work of getting the provisions into the bush was done in the winter when it was cheaper to haul on snow roads, but in recent years much more transportation has been done in the summer and fall over permanent bush motor roads which have been built in the districts where it is known that operations will be carried on for a number of years. Large motor trucks are used and are very economical. Besides getting fresh provisions into the bush many other advantages result, and chief among them is that it is only necessary to stock about one-third or less of the quantities which had to be carried when winter transportation only was possible. Besides this there is still a considerable saving in insurance and interest charges by the reduced stock and the short time it is in the depots as compared with the winter portaging.

Save Large Sum

The estimated saving on a cut of 50,000,000 ft. operating 40 miles from the railway is as follows:

Winter roads, 4,500,000 lbs.@ 95c	$42,750
Motor trucks, 4,500,000 lbs. @ 28c	12,600
	$30,150
Allowing that of the above amount 600,000 lbs. must be transported on snow roads at 95c	5,700
Saving	$24,450

Standardize on Equipment

We standardize on all our equipment, from table forks and spoons to cooking stoves, the same style and quality is used throughout the operations. This works out very satisfactorily.

We have found that heavy stoneware is the best equipment for the tables when the kitchen is operated the year round; but for transient work heavy tin plate goods is by far the most convenient, economical and sanitary, easy to keep clean, and stand up well under hard usage. Enamelware chips and breaks and becomes very hard to keep clean on account of the dirt lodging in these breaks. Aluminum is too soft and takes dents and bulges very easily, and after a while becomes very decrepit looking. The price of enamelware as compared with tin is over 150 per cent more expensive and aluminum over 400 per cent.

When tin plate goods are stored away they should be perfectly dry and a very light coat of grease put on them. The actual life of tin plate, enamel or aluminum when used in the bush is about the same.

There should be no stinting of equipment for the kitchen; left over dishes instead of being put away and rearranged, sometimes find their way into the garbage can if there is a shortage of dishes.

Sanitary Conditions Essential

The extent of the logging operations in the district will generally influence the size and the amount of outlay on the camps and it will suffice to say that that part of the camp allotted to the preparing of the food should be the best lighted and ventilated, and if possible a couple of small rooms be added—one heated and the other not heated—well fitted with shelves to permit of the orderly arrangement of supplies and food. The cook cannot give his best when working under untidy, cramped conditions, nor is it economical, for goods spread in a jumble are more apt to get spilt, butter gets tainted and in many ways losses occur.

It should be seen that the water supply for the camps be taken from a stream or place on a higher elevation than the depot so that there will be no danger of contamination.

Pick Good Cook

As in every branch of labor there is good and bad, so in cooks do we experience no exception, and we have to pick and choose to get the most efficient.

In engaging cooks we do not only consider the fact that they can cook well but judge them also on their ability to get along well with the men, cleanliness, ability to economize and for their willingness to follow instructions. When the cook is not working in accord with the men it may bring in a trouble factor, sometimes of major importance, generally resulting in the lowering of production; but a cook who uses tact and puts forth his best to please does much to bring about the close co-operation which results in increased efforts of efficiency or production.

Cleanliness besides its own worth is an economy, as equipment will wear longer when carefully looked after.

Follow Costs Closely

All supplies furnished to the cooks are charged to their respective kitchens and at the end of the month are advised of the cost of the meals. The best type of cooks follow these costs closely and even ask for them if they are delayed for any reason and not forthcoming at the regular time, and they make every effort to decrease their costs to a minimum.

What we stress on our cooks is the elimination of waste. To use the information given them in our menu book and also their own best judgment in preparing only the amount of food that will be consumed. Left over dishes can, in a good many ways, be made over but there are others that have to go to the garbage can.

Chart Meal Costs

With our statistics on the cost of meals which we have compiled for a number of years, and chart of food prices, we can judge quite closely if a cook is doing his best.

Below we show our arrangement for cooks and chore boys according to the crews they have to cook for:

15 men crew, 1 cook only.
25 men crew, 1 cook, 1 chore boy.
35 to 50 men crew, 1 cook, 1 chore boy.
75 to 100 men crew, 1 cook, 2 chore boys.

Find Women Better

In some depots and large camps that are operated the greater part of the year, we have found it more economical to put women in charge of the cooking and have the husband as her assistant; these can generally be secured from $40 to $60 per month cheaper than a man cook and his chore boy and are just as satisfactory, and in most cases more so, for they keep the place cleaner and fix it up better than the ordinary run of male cooks.

Intelligent boys should be chosen for chore boys as they will be the cooks of tomorrow. They generally adopt the same style and methods as the cook they work with, and the brightest should be put to work with the best cooks.

When we read of the variety of advice which is published concerning what we should eat and what we should not eat, we may ask what is the best. One thing is certain that a normal healthy man employed in the open air from early morning to dusk, requires a good amount of wholesome food to keep his system built up and in condition to carry on his daily work.

Nationally Advertised Goods

In almost all cases nationally advertised goods and the best grades of supplies are stocked as they give the best satisfaction, and are by far the most economical in the long run.

We furnish fresh beef the whole year round and fresh pork the greater part of the year. In winter the meat is taken in frozen and in summer is taken in on the hoof and butchered at the depot and distributed to the works, or where a gang is sufficiently large the animal is driven right to the operations and butchered there.

Staffs Get Choice

Only for our staff tables or those engaged in explorations do we furnish such supplies as ham, bacon, eggs and some lines of canned goods. It increases the cost of meals very materially and we do not consider it is warranted for we know that good wholesome meals can be prepared from the standard food supplies which we furnish.

It has been the tendency in recent years to furnish the men with more pastry and vegetables and although we feel that this is a good departure, especially for the vegetables, we cannot get away from the fact that those engaged in the woods operations still must have for the most part meat, beans, etc.

From our observations the conclusion we have come to is that the men accomplish more and carry on their work more effectively when fed with the heavier foods.

Details of Costs

We submit herewith cost sheets covering the operations of our depot kitchens from 1926 to 1930 inclusive, also cost sheet covering operations of kitchens on drive 1930.

Comparative Cost of Operating Kitchen Seasons 1926 to 1930 incl.

Year	Meals served	Cost food only	Cost food, wages, fuel for kitchen and transients' quarters, etc.	Consumption per man day lbs.
1926	328,838	.1402	.2784	3.96
1927	296,866	.1471	.2672	4.35
1928	96,786	.1538	.2952	4.66
1929	80,789	.1544	.3038	4.44
1930	73,808	.1657	.3158	4.77
	931,087			

Average cost per meal, food only .... .1470
Average cost per meal, food, wages, fuel for kitchen, transients' quarters, etc. .2736
Average food consumption per man, per day .... 4.43 lbs.
In the three latter years the cut was reduced to about one-third.
The same prices are charged for supplies sent to the kitchen as those sold to the jobbers.
Depot distances vary from 20 to 100 miles from railway for season 1926 and 1927; 20 to 40 miles for season 1928, 29 and 30.

Cost of Operating Kitchens on Drive 1930

	Meals served	Cost food only	Cost food, labor, etc., except fuel	Weight of food lbs.
Section 1	5,835	$ 845.36	$1,341.35	7,450
" 2	5,578	902.80	1,317.69	7,235
" 3	1,671	277.02	399.31	2,386
" 4	18,818	3,756.15	4,963.19	35,820
	31,902	$5,781.33	$8,021.54	52,891

31,902 meals served, 7,975 man days.
Food consumption 52,891 lbs. equivalent to 6.63 lbs. per man per day.
Based on four meals per day
Cost of food only .... .1812 Wages, etc. (except fuel) .... .2514

Actually our costs for operating depot kitchens from 1927 to 1930 have been increasing yearly, but this is brought about in great measure by the curtailment of operations as each year there was a decrease in the number of meals served. Some depots, although serving very few meals, had to be kept open as they were the connecting link to the operations.

It occurred to us in studying our department for more efficiency that when we engaged cooks and sent them out to their work that it was not just enough to tell them that we wanted them to run the place efficiently and economically. We found that in practically all cases they made a good effort to do this and many succeeded fairly well, but on the whole they were not giving us the service which we felt should be attained. With a view to correcting this we consulted the very best bush cooks and had them submit to us a list of their best recipes and their practical suggestions for economy.

Select Own Menus

More recipes and helpful information were secured from well qualified but independent sources; we made up a well varied and suitable list of menus, choosing the best in the recipes, together with the menus, helpful information, hints on economy, etc.; we incorporated them in book form and a copy is given to each cook when sent on the job. The results have been very satisfactory.

We do not oblige the cooks to go entirely by the menus in the book, for we like them to use their initiative too, but they can improve and economize by using it as their guide.

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member:
Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.
Consultation
Reports
Valuations
Estimates
Paper and Pulp Mills
Hydro-Electric and
Steam Power Plants
Plans and Specifications

Provincial Paper Limited
Head Office: 74-78 UNIVERSITY AVE., TORONTO
MANUFACTURING
Book, Writing, Bond and Coated Papers, Sulphite and Groundwood Pulp
Paper Mills at
MILLE ROCHES, ONTARIO THOROLD, ONTARIO
GEORGETOWN, ONTARIO PORT ARTHUR, ONTARIO
Pulp Mill: PORT ARTHUR, ONTARIO

LINING ECONOMY
Stebbins give a Bonded Guarantee on every pulp and paper mill lining they install.
BECAUSE:
Experience enables them to predetermine the life of each of their installations.
Every lining gives the utmost service, spreading depreciation over many years and reducing costly shut-downs to a minimum.
Every Stebbins Lining carries a Bonded Guarantee
CANADIAN STEBBINS ENGINEERING & MFG. COMPANY, LIMITED
609 Drummond Building Montreal

PRICE BROS. AND CO.

Company Forced to Lower Dividend on Common Stock Following Prolonged Unsettlement and Little Prospect of Improvement in Newsprint Market

Despite its strong financial position and sound management, Price Bros. and Co. has followed the lead of other newsprint producers and cut the dividend on its common stock from $2 to $1 a share.

In making the announcement of the reduced dividend, John H. Price, president of the company, stated that a considerable part of this year's cut of lumber has been sold and that the outlook for newsprint sales for the coming year is relatively good. Everything possible, he says, is being done to reduce operating expenses and he adds that the company has been successful in reducing overhead charges as well as mill costs.

Dividend Was Covered

Whether Price Bros.' earnings are sufficient to cover the dividend at the new rate, has not been divulged. Earnings in the year ended February 28, last, were well maintained in view of existing conditions in the newsprint and lumber industry. Net earnings of $3,308,954 were only $24,000 lower than those of the preceding year.

After all deductions in the last fiscal year, profits were equal to $2.18 a share on the common stock compared with dividend requirements of $2 a share.

Operate at Capacity

Last year the lumber mills at Rimouski, Price, Mataine and Salmon Lake were operated at capacity, as being the most economic basis on which to operate. Production approximated 70,000,000 ft. of sawn lumber, as well as the usual quantity of ties and shingles, which, despite the serious depression in the lumber trade, the company was able to dispose of at a profit.

During the past two years profits from the Jonquiere mill considerably diminished on account of the severe competition in the sale of the mill's diversified products, consisting of wall paper, different grades of board, tickets, etc. In order to combat this, the company installed a laboratory at that mill and reorganized its operations in such a way that operations are now on a more efficient scale and it is expected that returns from this mill will shortly be again normal.

Newsprint Division Slack

The adverse newsprint situation, however, continues to hold back the company. Price Bros. now operate or control a tonnage exceeding 1,000 tons a day. Conditions over the last two years, however, have been such that operations have been on a scale much below capacity.

Toward the end of last July the Riverbend mill was closed down and production transferred to the Kenogami mill. The former is the most recent addition to the Price newsprint division, having been built in 1925, enlarged in 1926 and again in 1929. It has a daily capacity of 480 tons, as compared with 550 tons at the Kenogami mill.

Price Bros. and Co. is regarded as one of the soundest and best managed organizations in the newsprint and lumbering industry. It is essentially a family corporation, the Prices having established the enterprise over 100 years ago. It is still controlled and managed by the family.

Has Wide Interests

The company owns and operates newsprint, groundwood pulp board and paper specialty mills and nine saw mills. Capacity production of paper units is about 1,125 tons daily, of which 1,065 tons is newsprint. Annual production of the saw mills is approximately 70,000,000 ft. board measure of lumber, 42,000,000 shingles and 13,000,000 lathes.

The company in its own right, or through its subsidiaries, owns and controls leases as follows: 9,400 square miles of leasehold Crown lands, 236 square miles freehold land and 33 square miles right of cut, the whole containing about 54,000,000 cords. The major portion of this timber area is located on the watershed tributary to its principal plant on the Saguenay and St. Lawrence Rivers.

Valuable Water Powers

Among other assets, the company has six developed water powers with an aggregate of 63,250 h.p. and four undeveloped water powers with a potential capacity of 61,000 h.p. The company owns approximately 8 per cent stock interest in the Duke Price Co., which has an installed capacity of 495,000 h.p., of which Price Bros. received 145,000 h.p. on long-term contract.

Other properties include a controlling interest in Donnacona Paper, with timber areas in Quebec estimated to contain 5,400,000 cords of pulpwood and a half interest in the assets and undertakings of the Quebec Pulp and Paper Corp.

Big Investment Account

An important feature of the company's position are investments, shown on the last balance sheet at $5,477,042. This is considered to be a conservative figure. In addition to the assets mentioned above, the company holds a large block of common stock in the Aluminum Co. of America, and Aluminium Ltd. It also owns Price House in Quebec, the largest office building in that city.

It is apparent that Price Brothers & Co. control properties and assets of tremendous value. This fact, however, should not minimize the seriousness of the newsprint situation, as well as the unsettled state of the lumbering market, which have greatly restricted the earning power of the company.

In viewing the immediate future, there are several factors to consider. One is the lawsuit which the company initiated last April to recover $750,466 and interest of $36,695 from the Newsprint Institute of Canada, claimed to be due as a result of various deals arising out of the formation of the institute in 1928. It is stated that some of the items going to make up the aggregate amount are in dispute and the ability of the institute to collect from the members is questioned. The case has not yet been settled.

Another feature is that over the near future prospects of an increase in the earning power of Price Bros. does not appear to be too hopeful. All of the Canadian newsprint manufacturers are operating on a limited scale and with lower price for newsprint, prospects of a better financial showing during 1931 are somewhat remote.

Capitalization—	Authorized	Outstanding
Com. ($100 par)	$50,000,000	$42,683,200
Pref. 6½% cum., re. ($100 par)	10,000,000	6,597,600

Funded Debt—
6 per cent first mortgage sinking fund bonds, due 1943; outstanding $11,513,600.

Dividend Record—
Preferred—6½ per cent per annum payable quarterly, Jan., April, July and Oct. 1. Paid regularly since April 1, 1925.
Common—2 per cent per annum, payable quarterly Jan., April, July and Oct. 1. Paid regularly from Oct., 1921 to July, 1931; reduced to 1 per cent per annum, with declaration of 25c. payment Oct. 1, 1931.

Officers and Directors—
Officers—John H. Price, pres.; J. Leonard Apedaile, vice-pres.; H. E. Price, sec. and treas.; E. A. Brissett, compt. and asst. treas.
Directors—John H. Price, H. E. Price, A. J. Price, Hartland B. MacDougall, A. J. Brown, K.C., V. M. Drury, Montreal; J. Leonard Apedaile, A. C. Price, Quebec; Sir Herbert S. Holt, K.B., Montreal; W. S. Hofstra, G. G. Allen, New York; Sir Keith W. Price, London, Eng.; Sir Ian Hamilton Benn, Bart., London, Eng.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	42¾	26½	84	41	121	71
Preferred	99	70	107½	95	110	99

*To Sept. 15.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Last Day of February
(Price Bros. & Co., and Jonquiere Pulp Co.

	1931 $	1930 $	1929 $	1928 $	1927 $	1926 $
Net earnings	3,308,954	3,332,798	3,413,715	4,079,573	4,063,211	4,263,190
Less: Deprec. & depl.	1,240,604	1,254,232	1,256,861	1,508,965	1,541,263	1,199,604
Bond interest	706,122	727,136	789,434	872,695	892,943	786,096
Bond issue exp.	......	......	......	......	......	137,500
Prem. on bonds red.	......	......	......	15,105	12,425	......
Net profit	1,362,228	1,351,430	1,367,420	1,682,808	1,616,580	2,139,990
Less appropriations:						
Pref. dividends	431,319	439,738	450,665	455,000	455,000	455,000
Com. dividends	853,664	853,664	853,664	853,664	853,664	853,664
Surplus for year	77,245	58,028	63,091	374,144	307,916	831,326
Add: Prev. surplus	2,725,175	2,667,146	2,604,055	2,229,911	1,921,995	1,573,038
Less: Kenogami restor w/	......	......	......	......	......	482,369
Bal. carried forward	2,802,420	2,725,174	2,667,146	2,604,055	2,229,911	1,921,995
Times Bond Interest Earned:						
Before deprec. and depl.	4.69	4.58	4.32	4.67	4.55	5.42
After depr. & depl.	2.93	2.86	2.73	2.95	2.82	3.90
Earnings per Share and Dividend Record:						
Preferred: Earned	$20.65	$20.08	$19.91	$25.04	$23.09	$30.57
Paid	6.50	6.50	6.50	6.50	6.50	6.50
Common: Earned	2.18	2.14	2.14	2.88	2.72	3.95
Paid	2.00	2.00	2.00	2.00	2.00	2.00

DONNACONA PAPER

Development of Board Mill Holds Promise for Future

Controlled by Price Bros.

Faced with declining revenues from its newsprint operations, Donnacona Paper Co., controlled by Price Bros & Co., has concentrated more and more upon the production of other products, principally insulating board. To that end the company undertook the construction in 1929 of a new board mill, which was brought into operation last year. In view of the good reception accorded to the products of the new division, expectations are that the financial statement of Donnacona for the current year will make better reading than that for 1930.

Last year was a difficult one for the company, earnings being only sufficient to cover bond and debenture interest, without allowance for depreciation which totalled $201,957 in the preceding year. While the new board plant was in operation, sufficient time had not elapsed to permit the company to show full earning power from this unit. Accordingly earnings this year are expected to more closely reflect operations of the insulating board mill.

The management have put into effect economies all along the line. The new mill is expected to effect considerable savings as such materials as groundwood and sulphite screenings enter largely into the manufacture of insulating board. This plant, therefore, provides an extra outlet for such raw material.

Capitalize on Outlay

Capital expenditures carried out by the company over the past two years have been heavy, on account of the construction of the new mill. The outlay in this respect totalled over $1,150,000, part of which was capitalized late last year through the issue of $600,000 of 6 per cent debentures. In addition there is a secured bank loan of $640,000, which may be funded at a later date.

The management have great hope for the new insulating board mill. The fact is generally appreciated that newsprint operations over the next year or so will not be particularly profitable, in view of low operation and lower prices. The board mill, accordingly, is expected to make up for the lower revenue from newsprint sales.

Make New Contact

Early this year arrangements were entered into with Gypsum, Lime and Alabastine, Canada, Ltd., whereby that company will distribute Donnacona's board through its extensive dealer organization. The insulating board will be made in Donnacona's own mill and Gypsum, Lime will market the product under their own brand name. Price Bros. Sales Corp. will continue to market Donnacona insulating board through its own sales organization.

Though attention has been directed toward the new division of late, the fact should not be overlooked that Donnacona Paper is one of the larger newsprint producers, having a daily plant capacity of 230 tons. Extensive improvements have been continually undertaken by the company since the installation of the first machine in 1923, $250,000 having been spent in 1929. This is exclusive of the amount invested in the board mill.

Extensive Timber Limits

Among other properties, the company owns nearly 28,000 acres of free and leasehold timber lands. It also owns, through a wholly-owned subsidiary, Baie St. Paul Lumber Co., cutting rights on 64,000 acres of seigneurial lands and controls 67½ square miles of timber lands under lease from the Quebec Government.

Water power owned by the company on the Jacques Cartier River have a present development of 7,600 h.p. and an ultimate capacity of 46,000 h.p.

Decline in Earnings

Earnings of the company during the past three years have not been overly large. From 42 cents a share in 1928, profits dropped to 2 cents a share in 1929 and to less than 1 cent a share in 1930. The new board mill will probably be of assistance in building up earnings this year, though the surplus available for the common stock will not be overly large.

DONNACONA PAPER
(Controlled by Price Bros.)

Capitalization—	Authorized	Issued
Com. (n.p.v.)	200,000 sh.	150,000 sh.

Controlling interest held by Price Brothers & Co.

Funded Debt—
5½ per cent first mortgage sinking fund bonds, series "A," due 1948; outstanding $6,852,000.
6 per cent debentures, series "A," due 1948; outstanding $4,000,000; series "B," $600,000.

Dividends—
No dividends are being paid.

Officers and Directors—
None being paid.
Officers—John H. Price, pres.; J. L. Apedaile, vice-pres.; R. P. Kernan, vice-pres.; E. A. Brissett, sec.-treas.
Directors—J. H. Price, J. L. Apedaile, W. C. Mitchell, R. H. Nisbet, A. C. Price, Quebec, P.Q.; W. C. Pitfield, V. E. Mitchell, K.C., D.C.L.. H. J. Symington, K.C., Montreal, P.Q.; R. P. Kernan, Donnacona, P.Q.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $
Earnings	621,190	829,861
Less;		
Deprec. & deplet.	......	201,957
Bond & deb. int.	620,012	625,000
Net profit	1,178	2,904
Add: Previous surplus	65,275	62,371
Bal. carr. for'd.	66,453	65,275
Times All Interest Earned:		
Before depr. & depl.	1.00	1.33
After depr. & depl.	...	1.00
Earnings per Share and Dividend Record:		
Common: Earned	$0.008	$0.019
None paid.		

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	12	10	27½	11	28	20

*To Sept. 15.

Great West Timber

Though reports of active development have been current on numerous occasions, no concrete action has been taken by the interests controlling the Great West Timber Corporation, in utilizing its important timber holdings on the Pacific coast.

Great West Timber Corp. was formed a few years ago, having its principal asset in timber limits, located near Vancouver, at San Juan, at Port Renfrew, and on Graham Island.

Subsequently, a bond issue of $300,000 was created and offered to the public, secured by the limits and also by the personal guarantee of Howard P. Cole, of New York City, who controls the property.

Capitalization—	Authorized	Outstanding
Common	....	$4,056,200

Large portion owned by Howard Cole & Co., of New York.

Funded Debt—
6½% first mortgage sinking fund bonds, due 1938; outstanding $37,000.
Officers—Howard Cole, pres.

Operated Over Century

The first paper mill in Canada was established in 1803 at St. Andrew's, Que. Ontario's first mill, which is still in operation, was built in 1813 at Greensville, near Hamilton.

Quebec Largest Producer

Quebec leads in the manufacture of pulp, with Ontario second, followed by British Columbia, New Brunswick, Nova Scotia and Manitoba in the order named.

BATHURST POWER

Concentration on Kraft May Bring About Improvement

Bathurst Power and Paper Co., carrying on newsprint and pulp operations in New Brunswick, is one of the smaller producers. Though controlling extensive timber limits, the company has not been able to exploit these to a point where an earning power can be developed, sufficient to warrant the distribution of dividends to the shareholders.

The capacity of the newsprint unit is 140 tons daily, representing the output of two machines of 70 tons each. The second machine was installed about two years ago, but its installation has hardly been justified up to date. Operations last year were conducted at about 61 per cent of capacity and there has been no improvement since that time.

Conditions in the newsprint market have not been favorable for profitable operation over the last two years. Bathurst newsprint division is too small to enable the company to make a satisfactory showing on its capital stock, amounting to 400,000 shares of Class "A" which were sold to the public at $40 each, with a bonus of "B" stock.

Build Kraft Division

To the end of improving its position, the company undertook more extensive development of its sulphite pulp and kraft departments. During the past summer Bathurst completed a new kraft liner and board unit, which was brought into operation early in August. Trial shipments of the new product—liner board for the outside of boxes and corrugated board for the inside—have been made, but the outcome of this venture is still indefinite.

With operations in all departments sharply curtailed in 1930, the operating statement of the company did not make particularly good reading. Net earnings totalled $132,954 compared to $281,550 in the preceding year. No provision was made for depreciation, though $59,871 was written off on account of inventory adjustment and idle equipment.

Assets Are Important

Despite the company's inadequate facilities for the development of an adequate earning power on its capital under present conditions, the outlook holds fair promise with a return to better conditions. Potentially, Bathurst's assets are of great value. In addition to extensive timber limits, the company controls 15,000 h.p. of developed water power, with undeveloped reserves in the neighborhood of 40,000 h.p. From the financial point of view, the company maintains a satisfactory balance sheet with a net working capital of $2,493,426. At the end of last year current assets totalled $2,616,368 and current liabilities $122,942. Generally speaking, however, unless there is a pronounced improvement in pulp and paper situation, little change is to be expected in the position of Bathurst.

Capitalization—	Authorized	Issued
Class "A"	750,000 shs.	400,000 shs.
Class "B" (Com. n.p.v.)	500,000 shs.	300,000 shs.

Funded Debt—
None.

Dividends—
Class "A" Common—Entitled to $2 per annum preference dividend. Initial dividend of 25c. per share was paid on March 15, 1929. None since.
Class "B" Common—No dividends have been paid to date.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; A. E. McLean, vice-pres. and gen. mgr.; H. J. Webb, treas.; G. A. Schryer, asst. treas.; S. B. Bond, sec.; S. Morse, compt.
Directors—A. J. Nesbitt, P. A. Thomson, H. J. Webb, Brig.-Gen. J. B. White, J. B. Woodyatt, E. Rossiter, G. M. McKee, Montreal, P.Q.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $
Net earnings*	132,954	281,550
Less: Deprec.	......	200,000
Idle exp. & invent. adjust w/o	59,871	......
Net profit‡	73,083	81,550
Less appropriations:		
"A" divds.	......	100,000
Surp. for year	73,083	§18,450
Add: Prev. surp.	103,297	121,747
Prior year's adj.	4,621	......
Bal. car. for.	181,001	103,297

*After deducting all operating, selling and management expenses, and after making provision for depletion of timber limits at the rate of $1.00 per cord on wood cut.
‡Before income tax.
§Deficit.
Note—No provision was made in 1930 for depreciation of buildings, plant and machinery.

Earnings per Share and Div. Record—

	1930	1929
Class "A": Earned	*$0.18	$0.20
Paid	nil	.25

Class "B": None earned or paid.

*Before depreciation.

Market Record—

	*1931	1930	1929
Class "A": High	5	10½	10
Low	3½	5	10
Class "B": High	5	4½	..
Low	2	2¾	..

*To September 15.

MACLAREN POWER

Paper Division Quiet—Work on Power Projects

Progress has been made by the MacLaren Power and Paper Co. in its hydro-electric and pulp and paper developments centring on Buckingham, P.Q. Up until two years ago, the MacLaren interests were primarily engaged in the production of lumber and the manufacture of groundwood pulp. It was then decided to undertake the further exploitation of the company's resources and to that end a plan was drawn up involving an outlay of approximately $25,000,000, covering the construction of two power plants, extension of another, and the building of a 250-ton newsprint mill.

Towards the end of last year the newsprint mill at Buckingham was brought into production. It is equipped with two 234-inch paper machines with a daily productive capacity of 125 tons each. About $6,000,000 was spent on this unit.

Production from this mill is not being sold direct to the publishers, as arrangements were entered into whereby the St. Lawrence Paper Sales Corp. undertook to market the output of the plant.

Add to Power Supply

The installation of the newsprint machines necessitated extension to the power plant at Buckingham. This plant originally had a capacity of 10,000 h.p., but an additional 15,000 h.p. was added to care for the needs of the new mill.

At the same time work was pushed ahead on the hydro-electric project at High Falls where a plant of 90,000 h.p. capacity was erected and placed in operation.

Work is continuing on another plant at Masson on the Lièvre River, about 21 miles east of Ottawa, where it is proposed to develop 120,000 h.p. Equipment at this plant will consist of four turbines, each capable of developing 30,000 h.p.

Organize Separate Units

It was deemed advisable to effect a separation of the different interests, and to that end two new companies were incorporated. The old James MacLaren Co. remained undisturbed, having control of the pulp and paper lumbering operations. The MacLaren-Quebec Power Co. was incorporated to take over the power developments, while the MacLaren Power and Paper Co. was formed as a holding company for all organizations, control resting with the MacLaren interests.

Until the beginning of this year, the development work had been privately financed. In February the MacLaren-Quebec Power Co. offered to the public $12,000,000 of first mortgage bonds.

Obviously the MacLaren pulp and paper and lumber operations are not extensive enough to absorb the present and potential output of the power plants. Accordingly the company entered into a contract with the Ontario Hydro-Electric Power Commission, whereby that organization contracted for delivery of 125,000 h.p., deliveries to commence July 1, 1933. In addition, the James MacLaren Co. contracted for 66,000 h.p., the full amount being taken at the beginning of this year. Thus the MacLaren-Quebec Power Co. has outlets for virtually the entire output.

The financing done to date represents only about one half of the total proposed capital outlay. It is understood that additional financing will be carried out, but this action may be delayed until investment market presents an opportunity to raise money at low cost.

Information as to the earning power and finances of the MacLaren Power and Paper Co. or the subsidiaries, is lacking, owing to the fact that public investment interest at present is confined to the first mortgage bonds. Common stock, and with it control, is in private hands.

Western Quebec Paper

There has been no change in the situation surrounding Western Quebec Paper Mills, of St. Andrews East, P.Q., which went into liquidation in the fall of 1928 due to high operating costs and heavy overhead charges.

Operations are carried on intermittently, with production consisting of high grade white and colored tissues, onion skin, decorative crepes and light-weight specialties, as well as bleached sulphite waxed paper.

In addition to first mortgage bonds and 8 per cent debentures, there are outstanding 10,000 shares of no par value common stock, which on the last survey, were held by fewer than 20 shareholders.

Capitalization—	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.

Funded Debt—
1st mortgage 6½ per cent bonds, due 1948; outstanding $225,000.

East Produces Fine Papers

Fine papers are produced in greatest quantity in Ontario, with Quebec second and no production in the other provinces.

Canada in the Van

Canada contributes about 15 per cent to the total exports of the eleven principal pulp-exporting countries.

CANADIAN WESTINGHOUSE

Westinghouse knows The PULP AND PAPER INDUSTRY

Careful analysis of the varied requirements of pulp and paper mills, and long experience in the application of electrical equipment to all sorts of industrial machinery, have resulted in the development of Westinghouse motors and control which are particularly efficient for operating special pulp and paper making machinery.

and

The PULP AND PAPER INDUSTRY knows Westinghouse

That Westinghouse has gained the confidence of the entire pulp and paper industry is clearly demonstrated by the large number of installations in the pulp and paper mills. These installations have been giving very satisfactory service—some for many years, and it is to them that The Westinghouse Company owes its splendid reputation in this field.

Westinghouse

SERVES THE PULP AND PAPER MILLS

with

Arc Welding Equipment
Circuit Breakers
Generators
Lighting Equipment
Motors and Control
Transformers

CANADIAN WESTINGHOUSE CO., LTD.
Head Office: HAMILTON, Ontario.
Branch Offices and Repair Shops in all principal cities.

Howard Smith Canadian-made papers are winning world-wide recognition

The acceptance which Howard Smith papers have gained in the markets of the world, as well as in Canada, is largely due to a complete control of manufacture from raw material to finished product. With our own timber limits, mills, laboratories and engineering staff we are enabled to produce a wide range of fine papers including bonds, ledgers, covers, blottings, book papers and many specialties.

HOWARD SMITH PAPER MILLS LIMITED
Makers in Canada of high grade papers

TORONTO WINNIPEG

MADE IN CANADA

EXECUTIVE OFFICES: MONTREAL
MILLS AT CRABTREE, P.Q., GASPE, P.Q., BEAUHARNOIS, P.Q., CORNWALL, ONT.

The Financial Post Answers Your Questions Without Charge

As a subscriber to The Financial Post you are entitled to ask questions regarding any investment that you are interested in.
Address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please send me The Financial Post for the next year (52 issues) I enclose $5.00.

Name ....
Occupation ....
Address 800

SPRUCE FALLS POWER

Subsidiary of New York Times and Kimberley-Clark Corp. Stems Period of Depressed Prices Adequately

Spruce Falls Power and Paper Co., which is controlled by the Kimberley-Clark Co., operates mills which have a daily capacity of 550 tons newsprint, 440 tons groundwood pulp and 230 tons sulphite. The Kimberley-Clark Co. has contracted to purchase the entire surplus output of sulphite and the New York Times has likewise contracted to purchase from the company its standard newspaper requirements which at present reach about 50 per cent of the mill capacity. The Toronto Globe needs are also supplied from this company.

About the end of 1930 the fourth unit of the company's great Smoky Falls Power plant came into operation, bringing the power capacity of the company to 75,000 h.p. The fourth unit contributes 18,750 h.p. to this total. Part of the power developed is used in operating the mills of the company and steam is generated by the surplus power in order to reduce the costs for fuel.

Develops Its Own Power

The site of the company's plant is Kapuskasing, Ont., on the transcontinental line of the Canadian National Railways. Extensions and improvements to the properties, including the construction of a 50-mile standard gauge railroad and 50 miles of power transmission lines, were completed in 1927. Then extensions were made which brought the daily capacity up to the figures already indicated.

About 135 tons of the 230 tons of the sulphite pulp mills daily production are used by the paper mill and the surplus of 95 tons is taken daily by the Kimberley-Clark Company under a contract to use this material in the manufacture of one of its widely advertised products.

The company develops its own power 50 miles from the mill at Smoky Falls on the Mattagami River. A concrete dam has been built there 1,700 feet long developing a head of 114 feet. The plant consists of four units of 18,750 h.p. each.

Under long term leases granted by the Province of Ontario the company has the pulpwood rights on 5,257 sq. miles of timber limits, estimated to contain not less than 10,500,000 cords of pulpwood.

Sales Down, Earnings Lower

Sales of newsprint of the company in the year ending April 30, 1931 was 14½ per cent less in dollar value than during the preceding year due mainly to reduction in prices of the company's products.

The company was nevertheless able to earn bond interest 1.94 times as compared with 2.52 times in the preceding year. No reduction in that period was made in dividends on the first and second preferred stocks, which are privately owned. The public interest is in the 5½ per cent first mortgage serial bonds of which there is $14,000,000 outstanding.

Working capital position of the company is comparatively strong at $1,095,753, with current assets 1.71 times current liabilities. Dividends of $1.43 a share were paid on the common stock in the year ending April 30, 1930, but nothing in the year ending April 30, 1931. In the latter year the second preferred earned $2.61 and paid $7 a share and the first preferred earned $8.47 and paid $7 a share. Regular preferred dividends are still being paid.

Capitalization—	Authorized	Issued
1st pref., 7% cum. ($100 par)	$9,500,000	$8,900,000
2nd pref., 7% cum. ($100 par) ...	5,500,000	5,000,100
Com. (n.p.v.) ..	200,000 sh.	200,000 sh.

Kimberley-Clark Corp. holds $2,500,000 first preferred, $5,000,100 second preferred and 102,000 common shares, the balance of common stock being held by the New York Times Co.

Funded Debt—

5½ per cent first mortgage serial bonds, due 1930-43; outstanding $14,000,000.

Officers and Directors—

Officers—F. J. Sensenbrenner, pres.; J. G. Kimberley, vice-pres.; E. S. Noble, gen. mgr.; G. Barber, treas.; E. Mahler, sec.

Directors — Representing Kimberly-Clark Corporation—F. J. Sensenbrenner, J. C. Kimberley, E. Mahler, Neenah, Wisconsin; G. Barber, Toronto, Ont. Representing the New York Times—A. S. Ochs, A. Hays Sulzberger and J. O. Adler, all of New York City.

INCOME AND SURPLUS ACCOUNT
Years Ended April 30

	1931 $	1930 $
Net earnings†	1,661,021	2,229,525
Less: Depl. of timber limits	86,812	100,000
Bond interest	806,667	825,000
Res. for inc. tax ..	....	37,463
Res. for corp. tax .	13,940	7,294
Net profit	753,602	1,259,768
Less appropriations:		
1st pref. divds. ...	623,000	623,000
2nd pref. dids.	350,007	350,007
Surplus for year	‡219,405	286,761
Add: Prev. surplus ..	292,271	6,681
Less: Bal. 1929 inc. tax	....	1,171
Oper. surp. car. fwd.	72,866	292,271
Add: Capital surp. .	10,500,000	10,500,000
Total surplus fwd. ..	10,572,866	10,792,271

†After reserves for contingencies and depreciation, general expenses, etc.
‡Deficit.

Times Bond Interest Earned:		
After depr. & depl.	1.95	2.58
Earnings per Share and Dividend Record:		
1st Pref.: Earned .	8.47	$14.15
Paid	7.00	7.00
2nd Pref.: Earned .	2.61	12.74
Paid	7.00	7.00
Common: Earned .	...	1.43
None paid.		

Russian Wood Makes Competition Keener in States

Over the last two years Soviet Russia has exported nearly 300,000 cords of peeled pulpwood to the United States, where it has been used in the manufacture of high-grade pulps. This importation has not been without its effect on Canadian exports, which have declined in recent years. The wood imported from Russia is generally admitted to be of an unusually high quality, but the sharp drop in imports this year is taken to mean that producers in this country and the United States do not need to attach too much importance to Russian pulpwood competition. This view shows Soviet pulpwood being unloaded in New York.

CANADIAN PAPERBOARD

Receiver Still Running Affairs of Company—Meeting Overhead Charges — No Improvement in Prospects for Security Holders

Canadian Paperboard Co. is in the second year of its receivership, following upon the over-expansion of plant capacity and failure of the market to hold up, which brought about an impairment of working capital position.

Immediately following the receivership some losses were made during the operation of consolidating the company's activities at the Toronto and Montreal mills, the Frankford and Campbellford mills being closed down, but, since then, earnings have been sufficient to wipe out these losses and to cover operating costs.

Sales prices for the company's products have been lower, but the decline in value of raw materials used has offset this factor. The two mills have been operating at from 80 to 90 per cent of capacity and any material improvement in this operating ratio, as a result of more normal business, in the country generally, is expected to result in increased earnings.

Large Installed Capacity

Under better operating conditions, Canadian Paperboard Co. is capable of establishing a substantial earning power. It is one of the largest producers of paperboard in Canada, owning four plants with a total daily capacity of 220 tons.

Canadian Paperboard also directly controls the Quinte and Trent Valley Power Co. which supplies power and steam to the parent company and municipalities in which its plants are located. In turn the Quinte and Trent Valley owns the capital stock of Frankford Electric Co. This company owns and operates power and steam plants in Frankford and Campbellford with an installed capacity of 6,000 h.p.

Following upon the troubles of the parent company, Quinte and Trent Valley Power was forced to pass its preferred dividend and later postpone bond interest.

Canadian Paperboard is a subsidiary of and is controlled by the Northern Paperboard Co., which is a Dominion company owning all the outstanding capital stock of Tidewater Paperboard Co. The latter organization owns a paperboard and container board mill at Norwich, Conn., but it is inoperative. More than 80 per cent of the common stock of the company is held by the Northern Paperboard.

Position is Uncertain

It is somewhat difficult to forecast the future for Canadian Paperboard. Curent obligations are heavy and the company's earning power will have to be increased substantially before it is clear of indebtedness. The capacity of paperboard plants in Canada is still far in excess of demand, and until this condition is rectified, little can be expected in the way of a definite improvement in the financial position of Canadian Paperboard.

NORTHERN PAPERBOARD

Capitalization—	Authorized	Outstanding
Common ...... (No par value)	70,000 shs.	23,227 shs.
Pref. 7% cum... ($100 par).	$8,000,000	$1,161,000

Company—Owns over 80 per cent of common stock of Canadian Paperboard Co., and all outstanding stock of Tidewater Paperboard Co., of Norwich, Conn.

Officers and Directors—

Officers—J. G. G. Kerry, C. A. Morris, Toronto; S. Johnston, John Kerry, D. F. Robertson, S. Bruneau, Chas. E. Whitten, Montreal.

CANADIAN PAPERBOARD
(Controlled by Northern Paperboard Co.)

Capitalization—	Authorized	Outstanding
Com. ($100 par)	$4,000,000	$2,100,500
Pref. 7% cum... ($100 par).	1,000,000	402,500

Funded Debt—

7 per cent first mortgage sinking fund bonds, due 1937; outstanding $1,260,000. Interest defaulted April 1, 1930, and since.

Dividend Record—

Preferred—7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid July 1, 1926, and regularly to the end of 1929. Passed January, 1930; none since.

Common—Initial dividend of 3 per cent paid Oct., 1924; 2 per cent paid Oct., 1925, and Oct., 1926; 1 per cent 1927; ½ of 1 per cent 1928.

Officers and Directors—

Officers—J. G. G. Kerry, pres.; J. R. Walker, vice-pres.; D. F. Robertson, gen. mgr.; C. E. Whitten, sec.-treas.

Directors—J. G. G. Kerry, Toronto; J. R. Walker, John Kerry, D. F. Robertson, Stanley Johnston, Montreal.

CANADIAN PAPERBOARD
Summary of Assets
(As a going concern)

Nominal appraisal and/or book equity in:	
Toronto mill	$1,180,901
Montreal mill	688,353
Campbellford mill	315,077
Frankford mill	705,915
Receivables	91,405
Investments	20,500
Total	$3,002,151
Less:	
Unsettled accts. for which liens are claimed	25,784
Claims of a general character requiring to be paid in order to remain a going concern .	15,516
Due to bondholders	1,293,170
Nominal book equity available for ranking creditors	1,667,681

QUINTE & TRENT

Falls on Hard Times Following Troubles of Parent Firm

Controlled by Can. Paperboard

Following upon the appointment of a receiver for the parent company, Canadian Paperboard Co., Quinte and Trent Valley Power Co. found a limited demand for its services, which, in turn, affected earning power and necessitated the passing of preferred dividend and later the postponement of bond interest.

Since operations of Canadian Paperboard at the Campbellford and Frankfort mills were discontinued, Quinte and Trent has made every effort to find a market for the power which formerly went to these plants, but to date the management has not been successful. The company hopes to be able to dispose of one of its plants or to bring new industries into its territory, but progress along these lines has been limited.

Use Power and Steam

Properties of Quinte and Trent Valley comprise power and steam plants at Frankfort and Campbellford, with an installed capacity of 6,000 h.p. In addition, the company installed a new plant to supply the needs of the Canadian Paperboard Co. at Toronto. It has a subsidiary company, Frankfort Electric Light, which holds the franchise from the municipality of Frankfort.

Public investment interest in Quinte and Trent Valley is confined to the preferred stock and bonds. Of the former, $402,500 is outstanding and of the latter, $1,260,000. All of the common stock is owned by Canadian Paperboard Co.

Outlook Not Bright

The outlook for the security holders of Quinte and Trent Valley is not particularly encouraging at present. The earning power has severely depreciated and the prospects of disposing of the surplus power, or one of the plants, is not too bright at present. As the fortunes of Quinte and Trent Valley are intimately bound up with that of the parent company, the best hopes of the security holders lie in an improvement of the parent company's position.

QUINTE & TRENT VALLEY POWER CO.
(Subsidiary of Canadian Paperboard)

Capitalization—	Authorized	Issued
Com. (n.p.v.)	10,000 shs.	5,006 shs.
Pref. 7% cum. ($100 par) ..	$500,000	$350,000

(Common all owned by Canadian Paperboard Co.)

Funded Debt—

6% first mortgage, sinking fund bonds, series A, due 1955; authorized $1,000,000; outstanding, $614,800.

Dividend Record—

Preferred—7% per annum, payable quarterly Jan., Apr., July and Oct. 1. Initial dividend Jan. 1, 1927. Passed July 1930; none since.

Common—$1 per share paid during fiscal year ended Dec. 31, 1927. None since.

Officers and Directors—

Officers—J. G. G. Kerry, pres.; C. E. Whitten, sec.-treas.

Directors—J. G. G. Kerry, H. R. McClymont, Toronto; John Kerry, C. E. Whitten, S. Johnston, Montreal.

DRYDEN PAPER

Unsettlement in Kraft Market Affects Company

Operations of the Dryden Paper Co. for the first three months of the current fiscal year, beginning September 30, 1930, resulted in revenue more than sufficient to cover bond interest. No statement has been issued by the company on operations since that time, but in view of the unsettled conditions in the company's principal market—Western Canada—it is assumed that operating profits have been on a reduced scale.

At the time of the last annual meeting, January of this year, the president stated that the company was affected by the grain situation in the West. He pointed out that the company was supplying wrapping paper to the largest departmental stores in Winnipeg, and that this business had fallen off about 12 per cent during the year, which was a smaller decrease than had been anticipated.

Buying Wood Supply

In respect to operations, the president referred to the fact that the company, at present, is not cutting its own wood but is purchasing wood already cut on a more economical basis. On the current basis of operations, stocks of wood are sufficient to last the company for some time.

In the merchandising end of its business, Dryden Paper has developed a new line of bags for linings of flour and sugar bags. These bags are being supplied to the trade by the company through the Bates Valve Bag Co.

Dryden Paper is the only organization in Canada solely engaged in the production of sulphate pulp and products thereof. Its plant is located at Dryden, Ont., and it has an annual capacity of about 25,000 tons of sulphate pulp, about 15,000 tons of which are manufactured into kraft and manila, and building paper. The company leases its timber limits from the Ontario Government and has sufficient pulpwood resources to maintain capacity operations for 50 years, without allowance for reforestation, growth or purchase from other sources.

Marketing area for the Dryden products lies largely in Western Canada. Though Dryden has the ability to place its products in the East, it has been content to concentrate on the West, where it can market its output at a minimum of expense.

Bates Contract Important

An important factor in reviewing the prospects of Dryden is the contract which the company has with the Bates Valve Co., which has installed machinery in the Dryden plant for the manufacture of cement and other types of bags under their patents. This contract expires in 1933.

From the investors' point of view, Dryden Paper has only one class of stock, consisting of 150,000 shares of no par value common stock. There is a funded debt, however, of $1,500,000.

The financial history of the company has not been an altogether happy one. It was 20 years ago that Dryden Paper was originally formed as the Dryden Pulp and Paper Co. Financing was carried out in England at the time with a small Canadian participation. English holdings were bought out in 1920 and the company was reincorporated as the Dryden Paper Co, Between 1923 and 1928 Dryden was in the hands of a receiver. During this time the company developed an earning power which was sufficient to wipe out all indebtedness and, in addition, establish a surplus.

Earnings Have Declined

Last year earnings on the common stock were equal to only 7 cents a share. This compares with $1.01 in the preceding year. No dividend has been paid on the stock to date.

The immediate prospects for Dryden Paper do not hold any marked promise. The sulphate and kraft markets are in an unsettled condition, which has limited earning power. There does not appear to be any likelihood of an improvement in market conditions for some months to come. In view of the unpopularity of pulp and paper securities, the stock of this company has little to recommend it at the moment.

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	150,000 shs.	150,000 shs.

Funded Debt—

6 per cent first mortgage bonds, due 1949, outstanding, $1,500,000.

Dividend Record—

No dividends paid.

Officers and Directors—

Officers—John H. A. Acer, pres.; F. A. Sabbaton, vice-pres.; H. Humphreys, treas.; E. S. Pincott, sec.; W. F. Robinson, asst. sec.

Directors—John H. A. Acer, F. A. Sabbaton, Geo. Chahoon, P. A. Thomson, Dan McLachlan, J. B. Woodyatt, E. S. Pincott, E. R. Parkins, K.C., Montreal.

PROFIT AND LOSS STATEMENTS
Years Ended Sept. 30

	1930 $	1929 $
Earnings from oper...	177,054	338,490
Add: Miscel. income..	12,206	13,333
Interest received ..	4,707	......
Total net earnings ..	193,967	351,823
Less:		
Deprec. & depl.† ..	100,000	100,000
Int. on deb. stock & lien notes	......	40,119
Int. on 1st mtge. bds.	90,000	60,000
Net profit (surplus)‡	3,967	151,704
Add: Prev. surplus ..	151,704	......
Res. set up, not req'd	8,063	......
Less: Inc. tax prior yr.	1,295	......
Bal. carried for'd	162,439	151,704

‡Before income tax.
†In addition to the $100,000 reserved for depreciation in 1929, approximately $775,000 was transferred from surplus to depreciation reserve.

Times All Interest Earned:		
Before depreciation	2.16	3.51
After depreciation.	1.04	2.52
Earnings per Share:		
Common: Earned ..	$0.026	$1.01
None paid.		

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	7	2½	19	4	35½	12

*To Sept. 15.

HINDE & DAUCH

Bond Interest is Expected to be Earned in Current Year

Hinde & Dauch Paper Co. of Canada Ltd. operates three plants, located at Toronto, Trenton and Montreal, and manufactures corrugated boxes, fibre boxes, straw board, mill board, corrugated paper and box boards. One of the chief operators in the container industry in Canada, the company has suffered in common with all others the peculiar conditions that have prevailed but has maintained its financial position and it is expected that fixed charges will be covered during the current fiscal year which ends December 31.

Net earnings of the company reached a peak of $773,324 in 1928 and dropped materially in 1929 and again in 1930, under the stress of highly competitive conditions in the industry. In 1930, however, the company earned its bond interest 2.79 times before depreciation. Depreciation reserve was increased to over 20 per cent of the value placed on fixed assets. The company's sales have been maintained during the current year but the margin of profit has been quite small. Corrugated box business placed by brewing companies has been a material item of production in the current year.

Sole public investment interest is in the 5½ per cent first mortgage bonds outstanding to the amount of $1,425,000 at the end of last year. Offered in 1928, sinking fund operations have reduced the outstanding amount of the bonds annually. The control of the company rests with Hinde & Dauch Paper Co., of Ohio, which owns controlling interest in the 299,933 shares of no par value common stock outstanding. No dividends are being paid on this stock or are payable so long as the present bonds are outstanding, if net current assets are below 33 1/3 per cent of the par value of bonds outstanding.

Plants of the company are in good condition a new addition to the Toronto plant having been constructed in June, 1929. Capacity of the Toronto plant is some 150 tons of boxboard daily while the Trenton plant has a daily capacity of 75 tons of straw paper for corrugating. Any improvement of general trade conditions would be felt by the company since the shipment of manufactured products calls for proper containers and the company is in a position to fill the demand.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	300,000 shs.	299,933 shs.

A majority of the stock is held by the Hinde and Dauch Paper Co. of Ohio.

Funded Debt—

5½ per cent first mortgage sinking fund bonds, series "A," due 1948; authorized $3,000,000; outstanding (series "A"), $1,425,000.

Officers and Directors—

Officers—Sidney Frohman, pres.; O. H. Moore, gen. mgr.; T. E. Lloyd, treas.; R. K. Ramsey, sec.

Directors—Sidney Frohman, R. K. Ramsey, Sandusky, Ohio; Ralph King, Toronto, Ont.; George Little, Xenia, Ohio; M. H. Murch, Cleveland, Ohio; O. H. Moore, R. L. Warren, Toronto, Ont.

Dividend Record—

Common—$1 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend of 25c. per share paid July 2, 1928, and regularly thereafter up to and including Jan. 2, 1930. Passed Apr. 2, 1930, and since.

Income and Surplus Account
Years Ended December 31

	1930 $	1929 $
Net earnings	214,308	455,717
Less: Deprec.	119,765	142,086
Bond interest	76,907	81,833
Income tax	1,174	18,632
Reorgan. and bond exp. amortized ...	8,940	21,455
Net profit	7,522	191,711
Times Bond Interest Earned:		
Before deprec.	2.79	5.57
After deprec.	1.23	3.83
Earnings per Share and Div. Record:		
Common: Earned ..	$0.02½	$0.64
Paid	...	1.00

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Com.	4	3½	17	4⅝	25	17

* To September 15.

Spruce Cut Important

Of the total pulpwood cut in 1929, amounting to 5,278,422 cords, spruce and balsam accounted for 4,480,078 cords.

E. B. EDDY CO.

Work Continues Upon Modernization of Plant

Complete rehabilitation of the plant and equipment of the E. B. Eddy Co., at Hull, P.Q., is now in process of being carried out.

Much of the equipment and manufacturing processes in use are not conducive to low cost and to the end of placing the company's manufacturing operations on a better basis, the management decided last year on a programme which will eventually involve an outlay of roughly $10,000,000.

The first step taken in the rehabilitation plan was the awarding of a contract for a new water filtration plant. The building of this unit is in line with requirements of the modern fine paper mill, for which a good supply of pure water is essential. The immediate capacity of the plant will be 32,000,000 gallons per day, which will take care of present needs.

The plant, however, is designed for an ultimate capacity of 60,000,000 gallons per day, approximately onethird of which will be chemically treated and filtered and the balance screened.

On completion of the filtration plant, it is expected that conditions will warrant the complete rebuilding and equipment of sulphite pulp mill, bleaching plant, and groundwood pulp mill. The intention is to properly consolidate the boiler capacities and to replace the present units by new and larger ones. Other improvements include the rearrangement of wood storage and additional handling facilities, new wood rooms and pulp storage handling equipment.

The final phases of the scheme will be undertaken to provide for the installation of four new fine and specialty paper machines of the Fourdrinier type, and one cylinder type machine. This installation will entail additional pulp preparation equipment. To round out the programme, adequate finishing, converting and shipping facilities are planned, together with a new head office building.

Activities of the E. B. Eddy Co., which have extended over a period of 80 years, include at present the production of sulphite and groundwood pulp, manufacture of newsprint, boards, bond, book, tissue, crepe and wrapping papers, as well as many other specialties.

The productive capacity of the various Eddy units comprise a daily output of seven tons of tissue paper, 25 tons of board, 125 tons of newsprint, one million paper bags, eight tons of bags and manila, 15 tons of wrapping paper and ten tons of book and writing paper. These figures are estimates only—the company does not make any official statement as to its output.

Little is known by the public of the finances of the company. What necessary capital has been needed in the past, has been raised privately, while control of the organization rests with a few individuals. The company itself was incorporated back in the '80's with an authorized capital of $5,000,000 of which $300,000 has been issued.

Capitalization—	Outstanding
Capital stock (Par $100.)	$300,000

Dividend Record—

Dividends have been continuously paid for many years; payments not made public.

Officers—

V. M. Drury, pres., Montreal; C. V. Caesar, gen. mgr.; D. Tilley, treas.; J. F. Taylor, sec.

NASHWAAK PULP

Eastern Operator Forced to Close Down Operations

Operations of the Nashwaak Pulp and Paper Co. of Fairville, near Saint John, N.B., were discontinued last October, after being carried on continuously for many years. Conditions in the pulp market recently were such as to make profitable operations out of the question.

There is no intention of the company to re-open the mill, at least under present conditions. Pulpwood and other movables have been put up for sale, which would indicate a cessation of activities for a year or more.

Nashwaak is a subsidiary of the Oxford Paper Co., in the United States, which acquired control in 1916. There is no direct Canadian investment interest in the company, since the majority of the securities are held by Oxford Paper.

Timber limits controlled by Nashwaak cover about 226,000 acres of freehold land and 146,000 acres of government-leased land in New Brunswick. In addition to the main plant at Fairville, the company owns various other properties in Marysville and Blacksville.

Capitalization—	Outstanding
Preferred	$1,700,000

Of which $850,000 each is owned by the Bryant Paper Co. and Oxford Paper Co. of the United States.

Funded Debt—

6 per cent first mortgage bonds, outstanding $410,800; due $75,000 annually to 1934.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at

Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba

Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

The
Canada Power & Paper
Corporation
Total Daily Capacity of Plants:
2,464 Tons of Newsprint
130 Tons Pure Kraft Paper
130 Tons Pure Sulphate Pulp
also producing
CARDBOARD, INSUL BOARD, WRAPPER and SULPHITE and GROUNDWOOD PULPS
SAW MILLS AT PEMBROKE, ONT., producing White Pine, Red Pine and Spruce Lumber Pickets, Laths, etc. — Annual Capacity of 25,000,000 F. B. M.
Successor and Operating Company of
Belgo-Canadian Paper Company Limited, Shawinigan Falls, Que.
St. Maurice Paper Company Limited Cap de la Madeleine, Que.
Laurentide Company Limited, Grand'Mere, Que.
Laurentide-Ottawa Company Limited, Pembroke, Ont.
Port Alfred Pulp and Paper Corporation, Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.
Anglo-Canadian Pulp and Paper Mills Limited, Quebec, P.Q.
Head Office:
MONTREAL, QUEBEC

A Source of Information

THOSE WHO SHOULD FIND THIS BOOK OF GREAT VALUE

EVERY CANADIAN DIRECTOR — to give all the business connections of other directors with whom a director must meet from time to time.

BANKS, TRUST COMPANIES, FINANCIAL HOUSES—to look up a man's importance and connections in a business way, as a guide in granting credit and for other purposes. These men buy annually millions of dollars worth of stocks and bonds, life insurance, etc.

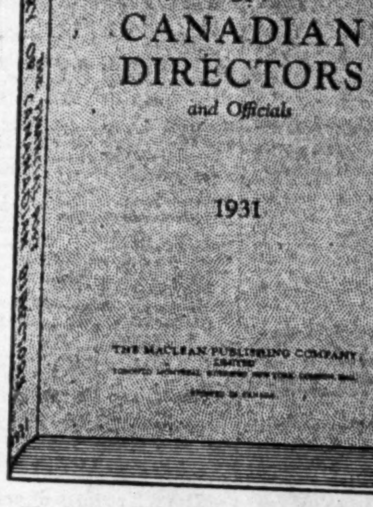
CHARTERED ACCOUNTANTS AND AUDITORS—to supply an independent record of other directorates held by directors of any company being audited.

MANUFACTURING FIRMS—this list is a cross section of the men of wealth in Canada — men who live in fine homes, drive expensive cars, travel and have the means to gratify their tastes. These men not only have a high standard of living but have huge purchasing power for the companies they direct.

Clubs, Libraries, Hotels, Steamship Companies, Lawyers, Insurance Companies and Agents, Brokers and Bond Dealers and many others will welcome likewise this list of the big men of Canada and the companies they direct.

How the Book was prepared

A questionnaire was mailed to every director of over 600 companies covered by The Financial Post Corporation Service and to every director of many additional companies, asking each to list all companies with which he was associated and to verify the correctness of our listing. The information contained has been secured in each case from the director himself or from a responsible official of his company, or if no reply was received, as was the case in a very few instances, from the best information available. This Directory should be as close to 100 per cent accurate as any listing can be.



The Financial Post
DIRECTORY OF CANADIAN DIRECTORS and Officials
1931
THE MACLEAN PUBLISHING COMPANY LIMITED

The Financial Post DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS is attractively bound in dark green stippled cloth with gold lettering, size 5¼ x 7¾ inches and contains 416 pages.

$10.00
4000 names

THE FINANCIAL POST has now available to Canadian business men a further service — The Financial Post DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS—a 416-page book, containing over 4,000 names of Canadian directors and company officials. It is an invaluable reference and list for various types of businesses. This book gives leading men all the connections of other leaders whom they are meeting. The information it contains has not, heretofore, been compiled or available.

In it all directors of public Canadian companies are alphabetically listed, with their name, initials, business address, home address in most cases, and a list of all companies with which each is associated. Officials, such as general managers, secretary-treasurers, sales managers, plant managers, who are not sitting on the board of directors, are also listed with their name, initials, position occupied, and business address. The type is large and all names are self-indexed alphabetically.

The Financial Post DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS comprises a complete record of those men who have created and built up Canadian business institutions—men who have huge influence and buying power.

ORDER COUPON

THE FINANCIAL POST,
153 University Avenue,
Toronto, Ontario.

Attached is $.............. in payment for .... copies of The Financial Post DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, 1931.

Please mail post paid to

Name ....

Address ....

303

HOWARD SMITH PAPER MILLS

Lower Volume of Business Necessitates Passing of Preferred Dividend—Consolidate Accounts of Subsidiary Organizations

Position of Howard Smith Paper Mills Ltd. has been affected by the business depression, with the result that the company has found it necessary to defer payment of dividends on its preferred stock.

The fine paper makers' business is readily influenced by the ups and downs of business and the last eighteen months has been a particularly difficult period for companies in this line of activity. Consequently Howard Smith has experienced a marked falling off in revenue. Net earnings last year totalled $884,509, compared to $1,284,482 in the preceding year. The figures do not include income from subsidiary organizations.

Current Sales Lower

During the first half of the current calendar year operations were further affected, with sales reported to be running around 15 per cent less than in the corresponding period of 1930. The decline in tonnage, however, was offset largely by economies in operation.

Omission of the preferred dividends and the settlement of its differences in respect to the sublease of Canada Paper (mentioned elsewhere in this issue) should tend to improve the position of the company. There will have to be a more pronounced improvement in general business, however, before the earning power of Howard Smith is again on a plane which would justify the resumption of dividends on the preferred stock.

Has Developed Rapidly

This company came into being early in 1928, but the company as an operating unit has been in existence since 1899. From a small wholesale jobbing business in high-grade bond and ledger paper, the company has expanded and branched out until today it is the largest fine paper maker in the Dominion.

It controls the Canadian Cellulose Co., Canada Paper Co., Alliance Paper Mills Ltd., and Federal Paper Co., together with a host of subsidiary operating organizations.

The output of the parent company and its controlled organizations covers a wide variety of fine papers and specialties, production being well in excess of that of any other company in the fine paper business. The annual capacity of the plants directly operated by the company totals: 38,000 tons of bond and ledger papers, bristol boards, offset papers, book, litho, etc.; 20,000 tons of bleached sulphite pulp; 9,000 tons of bleached and unbleached groundwood.

Plants controlled by the company through its subsidiaries have a combined yearly capacity as follows: 65,000 tons of bond and ledger papers, bristol boards, offset papers, kraft, wrapping, bagging and colored specialties, etc.; 35,000 tons of bleached sulphite pulp; 16,500 tons of bleached soda pulp; 20,000 tons of bleached and unbleached kraft pulp; 12,000 tons of bleached and unbleached groundwood; 29,000,000 paper boxes; 300,000,000 paper bags; 60,000,000 shipping tags and 7,000,000 flour bags.

Does Export Trade

Operations are confined to Ontario and Quebec, while the marketing is principally in Canada. The company, however, conducts an extensive export business with Great Britain, South Africa, New Zealand, Australia, South America and other countries.

The timber resources of Howard Smith are fairly extensive. Its pulpwood area at Gaspé is estimated to contain over 3,000,000 cords of pulpwood. In September, 1928, the company purchased a further timber limit from the St. Regis Paper Co. at Oskelanea, P.Q., estimated to contain 80,000 cords of wood. Last year an additional 965 square miles of timber lands were acquired from the Ontario Government, estimated to contain 9,000,000 cords of pulpwood. Total area of woodlands held by the company and subsidiaries exceeds 2,000 square miles.

Capitalization—	Authorized	Outstanding
Common .... (No par value.)	300,000 sh.	220,000 sh.
Pref. 6% cum. .. (Par $100).	$7,500,000	$4,500,000

Funded Debt—
First mortgage sinking fund bonds, 5½%, due 1953; authorized $12,000,000 (including registered debenture stock); outstanding (series "A") $7,000,000.

Dividend Record—
Preferred—6 per cent per annum, payable quarterly. Cumulative from June 1, 1928. Payable, March, June, Sept. and Dec. 1. Initial dividend paid Sept. 1, 1928, and regularly to March 1, 1930; none since.
Common—None paid.

Officers and Directors—
Directors—Harold Crabtree, pres.; E. Howard Smith, vice-pres. and man. dir.; George Pauline, vice-pres.; E. K. Robinson, vice pres.; Kenneth G. Pendock, sec. and treas.; M. G. Peterkin, asst. sec. and asst. treas.
Directors—Harold, Crabtree, E. Howard Smith, Sir Herbert S. Holt, K.B., E. R. Decary, K.C., J. Alex. Cameron, James W. Pyke. Howard Murray, O.B.E., George Chahoon, Jr., George M. McKee, W. D. Robb, W. H. Howard, Montreal, P.Q.; C. B. McNaught, J. H. Gundy, Toronto, Ont.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Common	6	3	22	4	30½	15
Preferred ...	45½	30	84	58	93	82

*To Sept. 16.

HOWARD SMITH PAPER COMPANY
INCOME AND SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

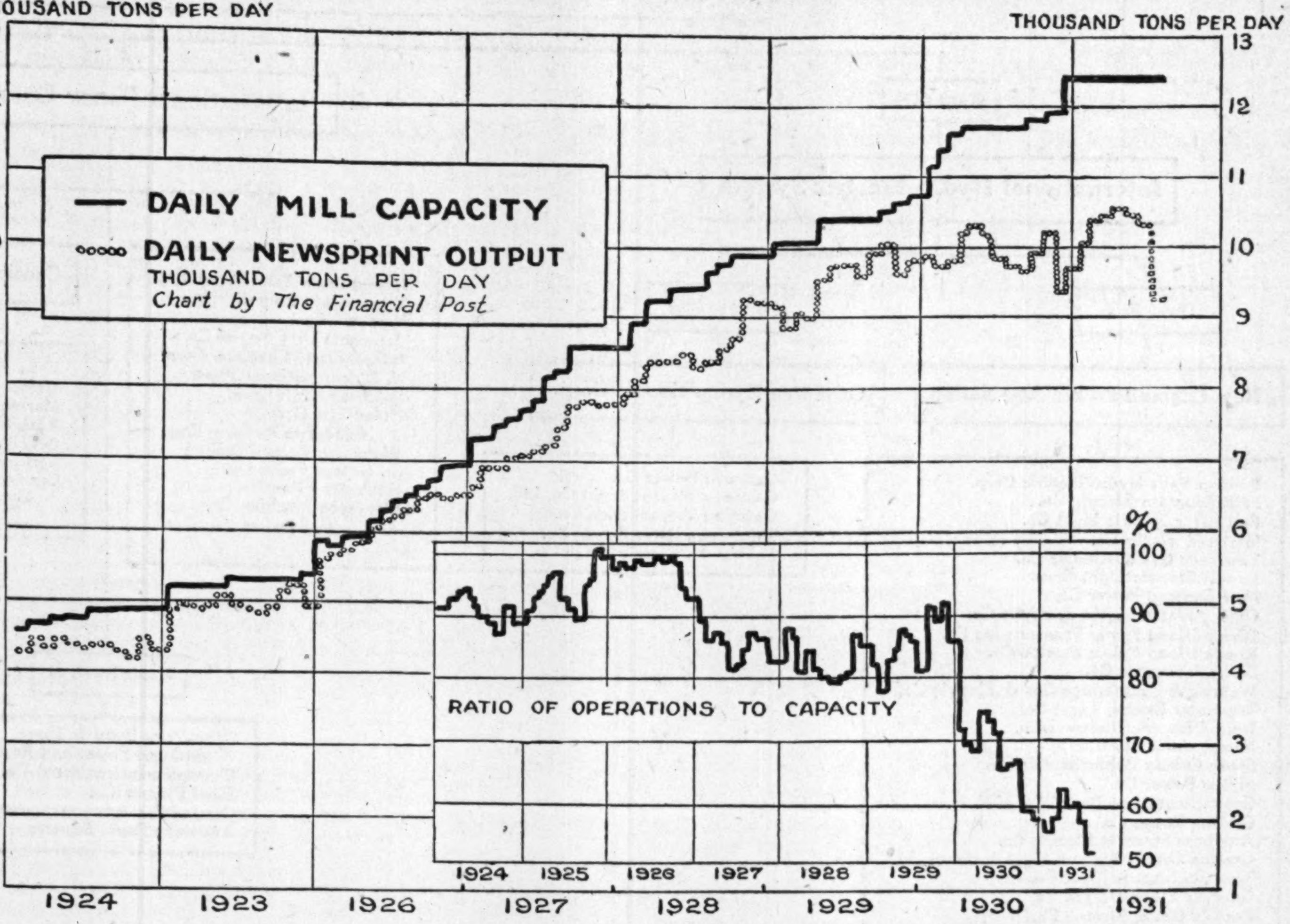
	1930 $	1929 $	‡1928 $	1927 $	1926 $	1925 $
Earn. from oper.	884,510	1,284,482	995,163	935,525	847,413	742,762
Add: Sundry revenue ..	4,425	4,420	12,474	10,871	7,936	9,675
Net earnings	888,935	1,288,902	1,007,637	946,396	855,349	752,437
Less: Deprec.	200,000	200,000	150,000	150,000	100,000	100,000
Bond interest	385,000	385,000	275,660	312,051	345,677	349,298
General interest	......	......	......	20,350	......	......
Net profit	303,935	703,902	581,977	463,995	409,672	303,139
Less appropriations:						
Preferred divds.	270,000	270,000	175,500	136,708	127,976	127,976
Surplus for year	§33,935	§433,902	§424,477	327,287	281,696	175,163
Add: Prev. surplus	835,276	424,477	......	*136,859	*5,163	......
Less: Prior yr. inc. tax	15,032	23,103	......	......	......	......
Loss on sale of shares to employees	75,000	......	......	......	......	......
Balance forward	§779,179	§835,276	§424,477	464,146	286,859	175,163

§ Before providing for income tax.
* $150,000 of 1926 surplus, $170,000 of 1925 surplus transferred to depreciation reserve.
‡ Nine months' period, from April 1 to Dec. 31.

	1930	1929	‡1928	1927	1926	1925
Times Interest Earned:						
Before depreciation ..	2.31	3.35	3.65	3.03	2.47	2.15
After depreciation ..	1.79	2.83	3.11	2.55	2.19	1.88
Earnings per Share and Dividend Record:						
Preferred (old): Earn.	...	...	..	$18.55	$25.60	$18.94
Paid	...	...	$2.00	8.00	8.00	8.00
Pref. (new): Earned	$6.75	$15.64	$12.93	...	...	...
Paid	6.00	6.00	3.00	...	...	...
Common: Earned ...	0.15	1.97	2.12	*8.13	*7.63	*4.74
None paid.						

* Old stock.

Daily Mill Operations Display Tendency to Ease Off from Peak



Daily operations of Canadian newsprint mills have not been altogether on a satisfactory basis this year. Though there have been new machine installations, the lower demand has forced the companies to operate their machines on a smaller basis, with the result that the daily output and the percentage of operations to capacity, have fallen away. In volume the daily output compares more than favorably with other years, but taken in conjunction with capacity and percentage of operations, it is apparent there is room for improvement.

CANADA PAPER

Preferred Shareholders Approve of New Agreement

Controlled by Howard Smith

Preferred shareholders in Canada Paper Co., this month voted upon and approved of a settlement between the company, St. Maurice Valley Corp. and Howard Smith Paper Mills Ltd.

In 1926 this company was taken over by St. Maurice Valley Corp., now part of Consolidated Paper Corp., a condition of the lease being that the former would pay interest and sinking fund on the bonds, as well as the dividend on the preferred stock. Two years later, St. Maurice Valley exchanged its holdings of the entire common stock of Canada Paper for a similar number of shares of Howard Smith Paper Mills, the latter becoming a sub-lessee under the agreement between St. Maurice and Canada Paper.

Spent Large Sums

During the time this agreement was in effect $2,412,183 was advanced by St. Maurice Valley and Howard Smith to Canada Paper for the purpose of providing funds for capital expenditures and working capital. Of this amount, $2,053,499 was advanced by St. Maurice and $350,683 by Howard Smith. Meanwhile, the burden of paying the bond interest and preferred dividends became too onerous and a settlement was offered to the preferred shareholders of Canada Paper.

In return for cancelling the agreement, Howard Smith Paper and St. Maurice Valley agreed to wipe out the advances made to the company. Canada Paper released the two companies of all obligations and liabilities under the lease and sub-lease. Certain payments were to be made by Canada Paper to St. Maurice and in turn by Howard Smith to Canada Paper.

Cancel the Lease

The net result of the settlement was to cancel the lease, wipe out the indebtedness of the company to St. Maurice and Howard Smith, and to provide the company with adequate working capital.

Canada Paper produces at its Windsor Mills, P.Q., plant, wrapping, book and writing papers, paper boxes, bags, shipping tags, etc. The company formerly operated a newsprint mill, but since Howard Smith assumed control this mill has been changed to other grades.

No financial statement has been published by Canada Paper for 1929 or 1930, the returns being consolidated with those of Howard Smith Paper Mills. It is understood, however, that operations of the company have not been particularly profitable and until there is a marked improvement in demand for the company's products, there is no reason to expect dividends on the preferred stock.

CANADA PAPER CO.
(Controlled by Howard Smith Paper Mills)

Capitalization—	Authorized	Outstanding
*Common (n.p.v.)	20,000 shs.	20,000 shs.
Pref. 7% cum. ... (Par $100.)	$3,000,000	$1,250,000

*All owned by Howard Smith Paper Mills.

Funded Debt—
6 per cent first mortgage sinking fund bonds, series "A," due 1945; outstanding $1,763,000.

Dividend Record—
Preferred 7 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. First dividend paid March 1, 1926, and regularly to Dec. 1. 1930; none since.

Officers and Directors—
Officers—Harold Crabtree, pres.; E. K. Robinson, vice-pres. and gen. mgr.; Kenneth G. Pendock, sec.-treas.; M. G. Peterkin, asst. sec.-treas.
Directors — Harold Crabtree, A. D. Emory, E. K. Robinson, E. Howard Smith, George M. McKee, Montreal, P.Q.; F. A. Sabbaton, Grand'Mere, P.Q.; F. J. Campbell, Windsor Mills, P.Q.; H. B. Donovan, Toronto, Ont

Canadian Cellulose

Controlled by Howard Smith

Canadian Cellulose Co. is a wholly-owned subsidiary of Howard Smith Paper Mills, operating a bleached soda pulp plant at Cornwall, with a rated capacity of 16,500 tons yearly.

Part of this output is absorbed by the parent organization and the remainder sold in the open market.

Both the preferred and common stocks are held by Howard Smith Paper Mills. There is a first mortgage bond issue outstanding, which is held by the bank as additional security for loans.

No financial statement is published by Canadian Cellulose, it being included with that of the parent company.

CANADIAN CELLULOSE
(Wholly owned by Howard Smith Paper Mills)

Capitalization—	Authorized	Outstanding
Common .... (No par value.)	10,000 shs.	5,000 shs.
Preferred .... (Par $100.)	$1,000,000	$300,000

Issued preferred and common held by Howard Smith Paper Mills.

Funded Debt—
7 per cent first mortgage sinking fund bonds, due 1951; outstanding $490,000.

Officers and Directors—
Officers—Harold Crabtree, pres.; E. Howard Smith, vice-pres. and man. dir.; Kenneth G. Pendock, sec.-treas.; M. G. Peterkin, asst. sec. and asst. treas.
Directors—Harold Crabtree, E. Howard Smith, J. Alex. Cameron, James W. Pyke, George H. Tomlinson, E. K. Robinson, Montreal, P.Q.; J. H. Gundy, Toronto, Ont.

ALLIANCE PAPER

Operations Are Affected by Change in Business

Controlled by Howard Smith

Though no statement is issued by Alliance Paper Mills, it is presumed that current operations of its subsidiaries have been on a lower basis this year, owing to the decline in demand for the products produced.

Alliance Paper Mills is not an operating, but a holding company, controlling the Georgetown Coated Paper Mills, Ritchie and Ramsay and Lincoln Pulp and Paper Mills. The total plant capacity of these operating units consists of 5,400 tons of waxing, book and writing papers, glassine and grease-proof papers; 1,750 tons of flour sack paper, tags and wrappers; 15,500 tons of bleached and unbleached sulphite pulp; 5,000 tons of coated paper and coated board and 7,000,000 flour sacks.

In order to operate on the most economical basis, the plants of the Georgetown Paper Mills and Ritchie and Ramsay were leased to the Lincoln Pulp and Paper Mills. at a rental which consists of bond interest and sinking fund requirements of the properties, and the latter company carries on the entire manufacturing operations of the group.

There is a very limited investment interest in Alliance Paper Mills, 75 per cent of the common stock being held by Howard Smith Paper Mills, Ltd. No report is published, the financial statement being consolidated with that of Howard Smith.

Capitalization—	Authorized	Outstanding
Common .... (No par value.)	200,000 sh	100,000 sh.
Preferred .... (Par $100.)	$3,000,000	$1,003,500

All the stock is closely held. 75 per cent of common held by Howard Smith Paper Mills.

Funded Debt—
The company has no funded debt of its own, but assumed the following bond issues of the companies acquired:
7½% First mortgage S. F. bonds of Lincoln Pulp & Paper Mills, due May, 1942; outstanding $710,000.
6½% First mortgage S. F. bonds of Georgetown Coated Paper Mills, due Aug. 1, 1947; outstanding $190,000.
7% First mortgage S. F. bonds of Ritchie & Ramsay, Ltd., due Oct., 1944; outstanding $177,200.

Dividend Record—
Preferred—6 per cent per annum, payable quarterly. Paid regularly to and including January 15, 1931; none since.
Common—None paid.

Officers and Directors—
Officers—Harold Crabtree, pres.; Geo. W. Pauline, vice-pres. and man. dir.; L. E. Fleck, vice-pres. and asst. man. dir.; J. R. Leslie, sec.-treas.
Directors—Harold Crabtree, E. Howard Smith, Montreal, P.Q.; Geo. W. Pauline, Geo. C. Winlow, A. D. Cobban, R. Home Smith, H. F. E. Kent, J. H. Gundy, Toronto, Ont.; L. E. Fleck, Georgetown, Ont.

ANGLO-CANADIAN

Control Returns to Former Owners on Split-Up Canada Power

Upon the reorganization of Canada Power and Paper Corp., control of Anglo-Canadian Pulp and Paper Mills returned to the former owners. It was found inexpedient for the new company—Consolidated Paper Corp.—to assume the obligations which Canada Power undertook when absorbing Anglo-Canadian.

It will be recalled that in May, 1930, negotiations were instituted to merge the company with Canada Power and Paper and an offer was made to shareholders for the exchange of shares on the basis of two and one quarter shares for each common share of Anglo. In addition to the share exchange, Canada Power guaranteed the principal and interest of the 6½ per cent debentures and dividends on the first preference stock of the company. There was also the added guarantee that Canada Power would maintain the working capital of Anglo-Canadian at $1,500,000 net. The agreement could be dissolved by either party on notice of 60 days.

Hand Back Control

The affairs of Canada Power had become very involved and it was necessary to carry out a reorganization. The reorganization committee found it expedient to dissolve the agreement with Anglo-Canadian, as result of which control of Anglo was returned to the former owners.

Anglo-Canadian is one of the Rothermere enterprises. It came into being in 1924 and in the two years prior to absorption by Canada Power, produced an average of 117,500 tons of newsprint annually. The company's output is sold largely to the Rothermere group of English papers and to a group of newspapers in the United States.

On account of its contracts, Anglo was a welcome addition to the Canada Power group, but when considering the relative values of the different securities under the reorganization scheme, it was considered inadvisable to continue the agreement with Anglo.

Contract Situation Interesting

Strength of Anglo-Canadian up to date has been based on the fact that it has a contract with the Hearst buying organization—Newspaper and Magazine Paper Corp.—for 110,000 tons of newsprint annually. This contract is understood to expire next year, when it is to be handed over to the newly-formed Consolidated Paper, which has the contract to supply all of the Hearst requirements upon the expiration of present contract.

New Business Scarce

Just what Anglo will do when it loses the Hearst business, is a matter of conjecture at present. It is readily apparent that the company will have to take strenuous measures to replace the loss of this business, which constitutes a major share of the present output. As conditions now stand, the outlook does not appear overly promising. All of the Canadian newsprint manufacturers are operating on a limited basis, and prospects for increased consumption of newsprint do not appear overly bright during the next 12 months or so. Additional business from the Rothermere interests is possible, though there is no official indication of this step at the moment.

Operate 500-ton Mill

In physical assets, Anglo-Canadian owns a 500 ton newsprint machine at Quebec. The mill is relatively new as it did not come into production until December of 1927. Power is obtained by contract from Shawinigan Water and Power Co., the contract being for a period of 25 years from beginning of 1926, subject to renewal for further period of 25 years. The company's timber limits comprise approximately 2,431 square miles, the pulpwood stand of which has not been made public.

ANGLO-CANADIAN PULP & PAPER

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	135,000	135,000
Pref. 7% ($100 par)	$8,000,000	$8,000,000

Funded Debt—
6½% first mortgage guaranteed debentures, due 1956; outstanding $3,000,000.

Officers and Directors—
Officers — The Viscount Rothermere, pres.; Frank W. Clarke, vice-pres.; G. H. Bridge, sec.-treas.
Directors — The Viscount Rothermere, John Cowley, Hon. Esmond Harmsworth, London, Eng.; Frank J. Humphrey, New York, N.Y.; Sir Herbert S. Holt, R. C. McMichael, K.C., Hon. Smeaton White, F. G. Bush, Montreal, P.Q.; Sir Charles Fitzpatrick, P.C., G.C.M.G., Frank W. Clarke, W. J. Clarke, J. D. Gilmour, R. A. McInnis, Quebec, P.Q.; E. A. Sursham.

ST. REGIS PAPER

Current Operations Said to be on Profitable Scale

Earnings of the St. Regis Paper Co. of Canada, which is controlled by the St. Regis Paper Co., of New York, are currently reported to be on the basis of about $3 a share.

The Canadian unit is engaged in pulpwood logging operations on valuable owned and leased timber rights in Quebec, estimated to contain some 2,500,000 cords of pulpwood. The parent organization purchases under contract the entire pulpwood output of the Canadian subsidiary.

Several years ago it was announced that St. Regis would undertake the construction of a newsprint mill adjacent to its timber limits in Quebec, but owing to the unsettlement in the newsprint market, no definite action was ever taken.

Amend Capital Stock

Investment interests in the St. Regis Paper Co. of Canada is virtually nil. There are 100,000 shares of no par value common stock outstanding, of which 98 per cent is owned by the parent company. The 8 per cent cumulative preferred stock was called for redemption three years ago.

This spring, steps were taken by the company to have its charter amended by changing the authorized capital stock from 100,000 shares of no par value to the same number of shares of a par value of $5 each.

Capitalization—	Authorized	Outstanding
Common .... (n.p.v.)	100,000 sh.	100,000 sh.

98 per cent of the common stock is owned by the parent company. In Feb., 1931, the company made application to increase par value to $5, same number of shares.

Funded Debt—
6½ per cent serial debs., dated Jan. 1, 1924; due $75,000 annually to June 1, 1933; $825,000 1934; outstanding $1,050,000.

A Continuous Information Service on Pulp and Paper Companies

A CONTINUOUS service on pulp and paper companies is made available to investors by The Financial Post Corporation Service. Detailed analyses of the companies, giving complete and accurate information, are available in convenient card form, and the information is kept up-to-the-minute by news cards which are sent out immediately upon announcement of any item of interest. Users of the service have the assurance that they are constantly in touch with the operations of the companies.

Points covered on each card include: History, business, properties, directors, subsidiaries, capitalization, dividend record, stock market record, seven years' earnings statements and balance sheets, and many other important facts.

If you wish to keep in touch with a number of companies you may secure a partial service on any 10 companies at the low rate of $12 a year. Such partial services give you the main analyses and the news service on the selected companies for a full year. Individual copies of any analysis may be obtained at $1 a copy.

The Financial Post Corporation Service covers all important Canadian companies. The complete service sells for $240 a year and is used by all types of investment institutions. The analyses supplied in the partial services are the same as those included in the complete service and thus, a partial service places at your disposal the same information that is used and relied upon by large investment organizations.

Below are listed the pulp and paper companies upon which analyses are available. Select the companies you wish to study and fill in the coupon below.

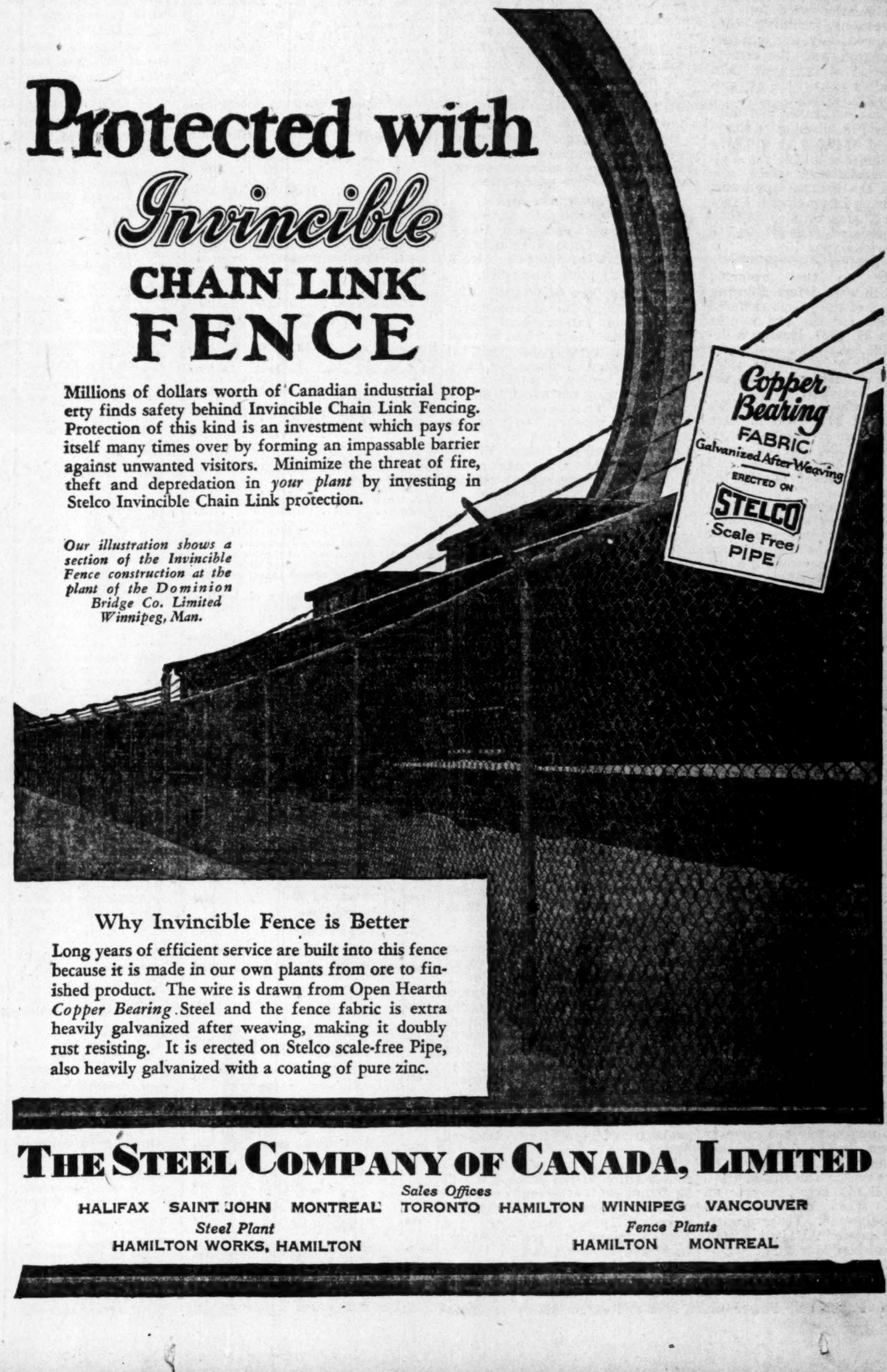
Abitibi Power and Paper Company
Provincial Paper, Limited
British Columbia Pulp & Paper Co., Limited
International Paper & Power Company
Bathurst Power & Paper Co., Limited
Mersey Paper Co., Limited
Consolidated Paper Corporation (Canada Power & Paper Corp.)
St. Maurice Valley Corporation
Port Alfred Pulp & Paper Corporation
Belgo-Canadian Paper Co., Limited
Wayagamack Pulp & Paper Co. Limited
Laurentide Company, Limited
Anglo-Canadian Pulp & Paper Mills Limited
The Anticosti Corporation
Howard Smith Paper Mills, Limited
Canada Paper Company
Price Brothers and Company, Ltd.
Donnacona Paper Company, Ltd.
Quebec Pulp & Paper Corporation
St. Lawrence Corporation Ltd.
Brompton Pulp & Paper Co., Limited
St. Lawrence Paper Mills Limited
Lake St. John Power & Paper Co., Ltd.
Westminster Paper Co.
Fraser Companies, Limited
Minnesota and Ontario Paper Company
Dryden Paper Co., Limited
Rolland Paper Company, Limited

In addition to the above, analyses are available on hundreds of other Canadian companies. Secure a service on all the companies in which you are interested and be assured of complete and continuous information at all times.

$12 a Year For 10 Companies.
Additional Companies Pro rata
Individual copies of any analysis—$1 a copy.

THE
FINANCIAL POST CORPORATION SERVICE
143 University Ave., Toronto

THE FINANCIAL POST CORPORATION SERVICE,
143 University Ave., Toronto.
Please send me special yearly service on the attached list of companies, at the rate of $12 a year for 10 companies, with additional companies pro rata. I enclose cheque for $.......... covering this service.
Please send me single copies of the following analyses at the rate of $1 a copy.
.... Name ....
....
.... Address ....



Protected with Invincible CHAIN LINK FENCE

Millions of dollars worth of Canadian industrial property finds safety behind Invincible Chain Link Fencing. Protection of this kind is an investment which pays for itself many times over by forming an impassable barrier against unwanted visitors. Minimize the threat of fire, theft and depredation in *your plant* by investing in Stelco Invincible Chain Link protection.

Our illustration shows a section of the Invincible Fence construction at the plant of the Dominion Bridge Co. Limited Winnipeg, Man.

Why Invincible Fence is Better

Long years of efficient service are built into this fence because it is made in our own plants from ore to finished product. The wire is drawn from Open Hearth *Copper Bearing* Steel and the fence fabric is extra heavily galvanized after weaving, making it doubly rust resisting. It is erected on Stelco scale-free Pipe, also heavily galvanized with a coating of pure zinc.

THE STEEL COMPANY OF CANADA, LIMITED
Sales Offices
HALIFAX SAINT JOHN MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER
Steel Plant
HAMILTON WORKS, HAMILTON
Fence Plants
HAMILTON MONTREAL

International Paper and Power

Cut in Operating Costs Enables Company to Hold Consolidated Revenue at High Level—Preferred Stock Dividend Deferred

Position of International Paper and Power Co. has not been unaffected over the past twelve months, as its income is dependent upon pulp and paper and allied activities, as well as power properties. Yet withal, this company is in a fairly sound position to meet the problems brought about by the current depression. It is to the credit of the management that it foresaw the trend of developments in its own particular field and that arrangements were made, as far ahead as possible, to meet the change in conditions.

The widespread activities of the company make it peculiarly vulnerable to any adverse developments. On the other hand, diversification of operation has proven a bulwark in these troublous times.

Tighten up Organization

The management has been successful in consolidating its activities, reducing operating costs and generally strengthening the entire structure. The programme of development, involving an outlay of many millions of dollars, begun ten years ago, has about reached completion. It is recognized, of course, that further financing will have to be undertaken to fund the capital outlays already made. But this step will not be immediate.

It may be said that up to date sufficient time has not elapsed to enable the company to develop an earning power commensurate with the capital invested. It is generally admitted that the potential possibilities of International Paper and Power are probably unexcelled by any other like organization, but the immediate problem is to develop or maintain revenues on a basis sufficient to meet the carrying charges on its debt.

President Views Situation

In April last the president pointed out that the adverse business conditions under which operations of the company are being carried on, emphasize the benefits which are being increasingly realized from the diversification of operations and the concentration of production at low-cost modern mills, which the completion of the development programme has made possible. Further he said, no substantial further capital expenditures for pulp and paper properties are now contemplated.

In his opinion, manufacturing costs for 1931 are expected to show substantial decreases. Adminstration expenses have also been reduced, the full effect of which will be evidenced in the 1931 report.

Turning to the outlook for power properties, the president stated that the increased deliveries to the Ontario Hydro Electric would bring about a larger revenue in 1931 for Canadian Hydro Electric Corp. On the other hand, the decline in the power load factor of New England Power Association was unrelieved by any definite upward trend.

Current Profits Hold Up

In an interim report on earnings for the six months ended June 30, 1931, net revenue, including other income, showed only a slight decrease compared with the corresponding period of last year. Net income totalled $20,483,458 as compared with $20,747,491.

Though interest, taxes and minority interests in subsidiaries showed a gain of $549,000 at $10,857,937, the balance available for dividends on subsidiaries' stock was higher and the balance applicable to dividends on International Paper and Power shares totalled $1,606,997, as compared with $1,271,111 in the previous year.

Defer Preferred Dividend

Payments on the preferred shares, which were deferred during the first half of the year, amounted to $1,632,565 for the six months ended June 30, 1931, leaving a deficit of $25,568. This compares with a deficit of $3,174,605 after payment of dividends made in the same period last year.

The six month's statement shows a reduction of $4,000,000 in bank loans, which stood at $25,000,000 at the end of 1930, and the report states that further reductions will probably be effected during the last half of 1931.

The financial showing made by International Paper and Power during the first half of this year makes it evident that the management is maintaining the company's position despite the business depression and its unfavorable effects upon the company's operations.

It is not possible in this review to detail the wide ramifications of International Paper and Power and subsidiaries. It is proposed to deal briefly with the huge assets of this organization, together with an outline of the current position of the two major divisions—pulp and paper and power. More detailed analysis of the principal subsidiaries' activities will be found in the reviews following.

Assets Over $820,000,000

At the end of 1930, the consolidated balance sheet of International Paper and Power showed total assets of $820,654,564. This compared with $767,198,303 at the end of the preceding year.

Investment in plant and properties, after deducting general property reserves, amounted to $632,143,314 up from $588,003,016 a year ago. This figure in turn is subdivided as follows: power and utility properties in Canada and Newfoundland, $103,771,547, and United States, $310,665,633, a total of $414,437,180, paper and pulp and miscellaneous properties in Canada and Newfoundland, $106,548,458, United States $111,157,676, an aggregate of $21,706,134.

Timber properties held by the company are shown on the balance sheet as having a value of $38,037,624, or approximately the same as that shown in the 1929 balance sheet. The woodlands owned by the company, or its subsidiaries, total 22,768,150 acres, having an estimated stand of 150,438,800 cords of pulpwood. These properties are located in United States, Canada and Newfoundland.

Interests Are Varied

To give in detail the various direct and associated interests of International Paper and Power Co. would require far more space than is at the disposal for this review. Moreover, the holdings are changing from time to time so that it is virtually impossible to obtain a fixed picture of the company's operations. The following tabulation, however, is a recent compilation of the major holdings of the company, which provide a fairly clear picture of the extent of International's manifold activities:

17	Newsprint and specialty mills.
8	Kraft mills.
5	Book and bond mills.
2	Groundwood pulp mills.
2	Sulphite pulp mills.
2	Fibreboard mills.
1	Leatherboard mill.
1	Rope paper mill.
4	Wrapping paper mills.
3	Tissue and towel mills.
8	Paper bag plants.
2	Envelope plants.
8	Lumber plants.
1	Coal mine.
40	Hydro-electric plants.
7	Steam electric plants.
18	Undeveloped water powers.
5	Storage dams.
4	Water supply storage reservoirs.
5	Barking plants.
2	Gas plants.
6	Machine works.
1	Steamship.
1	Oil terminal.
1	Wood handling plant.
2	Research laboratories.

Two Principal Divisions

As already mentioned, International Paper and Power's activities, as its name implies, are divided into two distinct divisions. The oldest division is that of pulp and paper.

Operations in this field have not been too favorable over the last year, owing to the unsettlement of the newsprint market, which has resulted in lessened demand and a drop of $5 a ton in the value of newsprint.

Pulp and Paper

Last year the company produced 1,494,127 tons of paper and pulp, of which 1,333,158 tons represented paper and 160,969 tons of pulp for sale. This is the largest production ever recorded by the company and is over eight times as much as was produced in 1921.

A summary of paper and pulp production between the years 1921 and 1930 follows:

SUMMARY OF PAPER AND PULP PRODUCTION

	Paper Tons	Pulp for Sale Tons	Total paper and pulp Tons
1921	205,114	......	205,114
1922	433,809	911	434,720
1923	537,927	......	537,927
1924	434,288	......	434,288
1925	503,702	75,361	579,063
1926	607,630	132,542	740,172
1927	702,105	131,728	833,833
1928	1,013,832	159,697	1,173,529
1929	1,250,843	165,000	1,415,843
1930	1,333,158	160,969	1,494,127

Make New Contract

Developments of interest in this division since the beginning of the year include the offering of a new long term contract to customers. International notified its clients of a new schedule based on a six year contract, which would expire on December 31, 1936. The terms offered stipulated a maximum price of $62 a ton at New York. The response an average price for the period of $59 a ton with a price from April 1, 1931, to December 31, 1932, of $57 a ton at New York. The response to this offer was particularly good, providing the company with a substantial tonnage to maintain operations over this five year period.

Buy Tonawanda Mill

Last June the company purchased the Tonawanda Pulp and Paper Mill from the Chicago Tribune interests, at a price said to involve a sum approximating $4,000,000.

Make New Contract

In confirming the announcement of this deal, International Paper also announced that it had entered into a long term paper contract with the Chicago Tribune and allied interests, whereby it would supply all the rotogravure paper used by the Chicago Tribune and the New York Daily News, as well as the newsprint used by the New York Daily News and the Detroit Mirror.

The contract is to extend for over ten years and represents an amount of approximately $115,000,000.

Buy Seminole Paper

Early this month International acquired the Seminole Paper Co., a large distributor of toilet paper, with headquarters in Chicago.

Expect Lower Earnings

At present, International's pulp and paper mills, more particularly the newsprint mills, are operating somewhat below 80 per cent of capacity. Prospects are that earnings from the pulp and paper division will not show any material gain in 1931; in fact, in view of the decrease in the price of newsprint, it is expected that the lower operating costs will enable the company to make a showing about the same as in 1930.

Power Operations Important

The power operations of International Paper and Power Co. have proved the backbone of the organization during recent years, when earnings from the pulp and paper properties were restricted.

Herewith a summary of electric power output of all properties now controlled by the company, regardless of date of acquisition:

Current Trend Mixed

Current reports of the power companies, operated or controlled by International Paper and Power, show a somewhat mixed trend. Canadian Hydro-Electric Corp., the principal Canadian subsidiary, continues to report output and earnings on an increasing scale. New England Power Association, controlling the company's American properties, has not done so well, operations of that organization being affected by the industrial depression of the New England States.

More detailed analysis of the current position of the properties will be found in the review on International Hydro-Electric System, Canadian Hydro-Electric Corp., and New England Power, appearing elsewhere in this issue.

Wide Investment Interest

There is a widespread investment interest in International Paper and Power and its subsidiary organizations. In many instances, junior securities are owned by the parent organization. The direct investment interest, however, is very substantial and is principally confined to the parent organization, Canadian Hydro-Electric Corp., Gatineau Power Co., International Hydro-Electric System, International Paper Co., Canadian International Paper Co., etc.

Capitalization—	Authorized	Outstanding
7% pref. cum. ($100 par).	$100,000,000	$91,803,100
6% pref. cum. ($100 par).	2,000,000	1,659,200
Com. (n.p.v.)		
"A"	5,000,000 sh.	998,228 sh.
"B"	3,000,000 sh.	998,228 sh.
"C"	5,000,000 sh.	2,498,007 sh.

Funded Debt—

Company has no funded debt of its own but as at Dec. 31, 1930, bonds, etc., of subsidiary companies totalled $331,673,206.

Dividend Record—

Preferred—7 per cent and 6 per cent per annum, cumulative, payable quarterly, Jan., April, July and Oct. 15. Initial dividend on both stocks paid Jan. 15, 1929, and regularly since.

Class "A" common—None at present. $2.40 per share per annum was paid regularly quarterly from Feb. 15, 1929 to Aug. 15, 1930; none since.

Class "B" and Class "C" common—None paid.

Officers and Directors—

Officers—A. R. Graustein, pres.; F. D. Comerford, vice-pres.; N. C. Head, vice-pres.; W. N. Hurlbut, vice-pres.; H. R. Weaver, vice pres. and treas.; S. C. Moore, sec.; Owen Shepherd, R. G. Ladd, A. R. Storm, asst. treas.; C. D. Young, E. E. Adams, asst. sec.

Directors—W. C. Baylies, William Chamberlain, F. D. Comerford, F. L. Higginson, J. R. Macomber, Philip Stockton, Boston, Mass.; M. G. Chace, Providence, R.I.; F. N. B. Close, Ferdinand Eberstadt, A. R. Graustein, D. T. Layman, Jr., Rudolf Pagenstecher, A. H. Wiggin, New York, N.Y.; K. Simonds, Fitchburg, Mass.

CONSOLIDATED INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Gross sales	153,964,333	148,575,723
Less: Cost of sales & exp. less other inc.	112,688,585	114,023,741
Net earnings	41,275,748	34,551,982
Less: Depreciation .	8,489,143	9,139,503
Int. on funded debt	16,834,758	12,889,136
Amort. of disc. .	1,028,558	719,324
Res. for inc. taxes	853,511	756,736
Minority int. in earn. of subs. .	1,333,299	1,161,280
	28,539,269	24,665,979
Net profit	12,736,479	9,886,003
Less: Div. on pref. & min. com of subs.	8,529,954	5,874,241
	4,206,525	4,011,762
Less appropriations:		
Pref. divds.	6,505,691	6,447,651
Class "A" com. divds.	1,197,347	2,386,860
Deficit for year ..	2,496,513	4,822,749
Add: Prev. surplus .	15,069,332	18,180,332
Undist. earn. surp. of N.E.P.A.* .	....	1,711,749
Surp. from bonds of subs.†	1,403,394	....
	12,976,213	15,069,332

*Undistributed earned surplus of New England Power Assoc., applicable to shares controlled by I. P. & P. and arising since date of acquisition of such shares and minor adjustments.

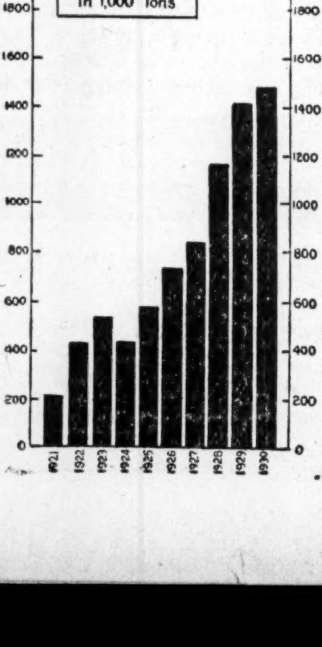
†Arising from acquisition of bonds of subsidiary at less than par, and minor adjustments.

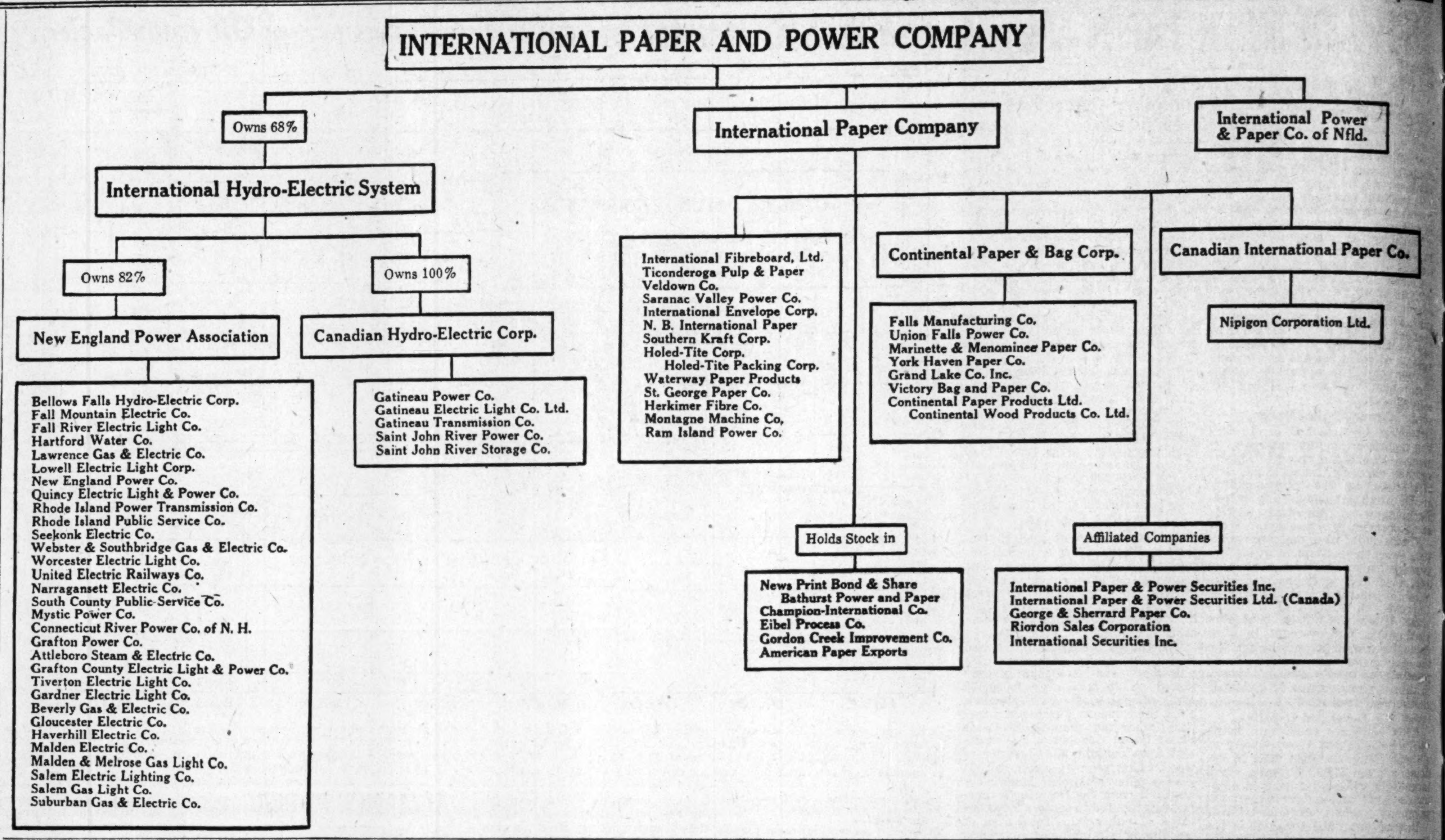
	1930	1929
Times Interest Earned:		
Before deprec. ..	2.45	2.68
After deprec. ..	1.95	1.97
Earnings per Share and Div. Record.		
7% Pref.: Earned	$4.58	$4.41
Paid	7.00	7.00
6% Pref.: Earned	...	...
Paid	6.00	6.00
Class "A" Com.:		
Earned	...	...
Paid	1.20	2.40

Market Record (New York Exchange)—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Class "A" ...	10½	3½	31⅛	5½	44½	20
Class "B" ...	6	2½	22¾	3⅜	33⅞	12
Class "C" ...	4½	1⅞	18	2	26⅛	9
7% pref.	43½	18⅜	86	21	95	77

*To September 16.




INTERNATIONAL PAPER AND POWER COMPANY
Owns 68%
International Hydro-Electric System
Owns 82%
New England Power Association
Bellows Falls Hydro-Electric Corp.
Fall Mountain Electric Co.
Fall River Electric Light Co.
Hartford Water Co.
Lawrence Gas & Electric Co.
Lowell Electric Light Corp.
New England Power Co.
Quincy Electric Light & Power Co.
Rhode Island Power Transmission Co.
Rhode Island Public Service Co.
Seekonk Electric Co.
Webster & Southbridge Gas & Electric Co.
Worcester Electric Light Co.
United Electric Railways Co.
Narragansett Electric Co.
South County Public Service Co.
Mystic Power Co.
Connecticut River Power Co. of N. H.
Grafton Power Co.
Attleboro Steam & Electric Co.
Grafton County Electric Light & Power Co.
Tiverton Electric Light Co.
Gardner Electric Light Co.
Beverly Gas & Electric Co.
Gloucester Electric Co.
Haverhill Electric Co.
Malden Electric Co.
Malden & Melrose Gas Light Co.
Salem Electric Lighting Co.
Salem Gas Light Co.
Suburban Gas & Electric Co.
Owns 100%
Canadian Hydro-Electric Corp.
Gatineau Power Co.
Gatineau Electric Light Co. Ltd.
Gatineau Transmission Co.
Saint John River Power Co.
Saint John River Storage Co.
International Paper Company
International Fibreboard, Ltd.
Ticonderoga Pulp & Paper
Veldown Co.
Saranac Valley Power Co.
International Envelope Corp.
N. B. International Paper
Southern Kraft Corp.
Holed-Tite Corp.
Holed-Tite Packing Corp.
Waterway Paper Products
St. George Paper Co.
Herkimer Fibre Co.
Montagne Machine Co.
Ram Island Power Co.
Continental Paper & Bag Corp.
Falls Manufacturing Co.
Union Falls Power Co.
Marinette & Menominee Paper Co.
York Haven Paper Co.
Grand Lake Co. Inc.
Victory Bag and Paper Co.
Continental Paper Products Ltd.
Continental Wood Products Co. Ltd.
Canadian International Paper Co.
Nipigon Corporation Ltd.
Holds Stock in
News Print Bond & Share
Bathurst Power and Paper
Champion-International Co.
Eibel Process Co.
Gordon Creek Improvement Co.
American Paper Exports
Affiliated Companies
International Paper & Power Securities Inc.
International Paper & Power Securities Ltd. (Canada)
George & Sherrard Paper Co.
Riordon Sales Corporation
International Securities Inc.
International Power & Paper Co. of Nfld.

INTER. P. & P. OF NFLD.

High Operations Maintained With Revenue on Upgrade

Owned by Inter. P. & P.

A steady increase in mill operating efficiency is reported by International Power and Paper Co., of Newfoundland, a division of International Paper and Power Co.

Operations of the Corner Brook Mill in 1930 resulted in an average output of 515 tons of newsprint a day, representing the combined production of the four machines. This compares with 483 tons a day in 1929.

In addition to these increases on the four newsprint machines, the wrapper machine at the mill has been adapted for the manufacture of newsprint when not in use for the manufacture of wrappers, with a consequent increase in the 1930 daily average output to 540 tons a day.

Last year the 58,000 h.p. extension to the company's hydro-electric plant at Deer Lake was put in operation, bringing the total installed capacity up to 156,000 h.p. The installation of the additional unit was made at the low capital cost of $28.15 a h.p. and has resulted in an increase in the company's earning power.

The additional capacity has made possible the elimination of all but a small part of the fuel charges at Corner Brook, as the Deer Lake plant supplies the mill with sufficient energy not only for power but also for the generation, through the use of electric boilers, of practically all the steam requirements of the mill.

Lower Operating Costs

The steady increases in output have been accompanied by material reductions in operating costs, with the result that for the last year the company showed net earings available for interest and reserves of $3,073,596. After deducting the amount set aside for depreciation and depletion, the balance of earnings for 1930 amount to $2,336,042 which was over 9½ times the amount required for interest payments on the company's first mortgage bonds and approximately 1½ times the total interest requirements of the entire fixed and current indebtedness of the company.

Despite the effects of the $5 per ton cut in newsprint prices, gross sales of International Power and Paper Co., Newfoundland, for the six months ended June 30 last were $4,301,750, compared with $4,230,808 in the corresponding period of 1930. Net revenue of $1,519,468 compared with $1,364,479 and balance added to surplus was $402,840 compared with $182,658.

Higher Output in 1931

During the six months period there was a further steady increase in mills operating efficiency. Output of newsprint in the Cornerbrook Mill averaged 515 tons a day in 1930, while output from the four machines earlier this year was further increased to an average of 546 tons a day.

During the past year the company acquired a few additional tracts of timber which were desirable in rounding out areas already controlled. Timber holdings now consist of over 1,500 sq. miles, of freehold, and over 5,000 sq. miles held under Crown licenses, total of over 7,100 sq. miles, which have an estimated stand of over 13,400,000 cords of pulpwood.

The Crown timber leases, with minor exceptions, are for a 99-year term, of which only little more than three years have elapsed.

(Controlled by Inter. Paper & Power)

Capitalization—	Authorized	Outstanding
5% pref.	£5,000,000	£2,080,000
Common (Both £1 par).		£ 500,000

Preference—£2,000,000 issued to holders of obligations of predecessor company in part payment. Cumulative after 1932.

Common—All held by International Paper and Power Co.

Funded Debt—

5 per cent first mortgage bonds, due 1968; outstanding $4,866,000.

4½ per cent mortgage debenture stock, series "A," due 1973; issued, $9,733,000; guaranteed by the British Treasury.

5½ per cent mortgage debenture stock, series "B," due 1970; issued $9,556,346; guaranteed by the Newfoundland Government.

Officers and Directors—

Officers—A. R. Graustein, pres.; N. C. Head, 1st vice-pres.; E. A. Charlton, vice-pres. and gen. mgr.; W. S. Housman, vice-pres.; R. H. Weaver, treas.; C. D. Young, sec.; T. S. Howard and E. E. Adams, asst.-sec.

Directors—A. R. Graustein, N. C. Head, J. F. Rollins, J. H. Hinman, G. A. Brownell, W. S. Housman, E. A. Charlton, New York; Sir G. S. Barnes, K.C.B., J. F. Taylor, London, Eng.; E. J. Godden, Newfoundland.

INTERNATIONAL PAPER COMPANY
(Controlled by International Paper & Power Co.)

Capitalization—	Authorized	Outstanding
Com. (n.p.v. shs.)	1,000,000	1,000,000
Pref. 7% cum. ($100 par).	$100,000,000	$96,105,600
Pref. 6% cum.	25,000,000	1,828,000

With the exception of $4,302,500, 7 per cent preferred, $168,600, 6 per cent preferred, and 1,772 common shares, all the outstanding stock is held by the parent company.

Funded Debt—

5 per cent first and refunding mortgage bonds due 1947; outstanding $16,763,000.

6 per cent refunding mortgage bonds, due 1955; outstanding $20,434,500.

6 per cent serial gold notes, due 1930-36; outstanding $1,200,000.

Bastrop Pulp & Paper, 6½ per cent, 1st mortgage, due 1940; outstanding $339,600.

In addition there were outstanding Dec. 31, 1930, $7,000 6 per cent debentures called Dec. 1, 1927. Company also had miscellaneous obligations of $629,150, and obligations of subsidiaries totalling $4,519,579.

Dividend Record—

7 per cent preferred—Paid regularly quarterly July 15, 1925, to April 15, 1931; none since.

6 per cent preferred—July, 1898, to Jan., 1908, inclusive, at rate of 6 per cent per annum; April and July, 1908, 1 per cent, quarterly; Oct., 1908, to July, 1916, at rate of 2 per cent per annum; Oct., 1916, 1 per cent; Jan., 1917, 1½ per cent, making 3½ per cent for year 1916. Regular dividends paid thereafter, Jan., Apr., July and Oct. 15 to April 15, 1931; none since.

Common—None at present. Formerly $2.40 per share per annum, payable Feb., May, Aug. and Nov. 15. Payments due Nov. 15, 1930, passed. None paid since. Previous dividends paid as follows: Dec. 31, 1898, 1 per cent; 1899, 2 per cent; none thereafter until August 16, 1926, when 50 cents a share was paid on no-par common; which rate maintained quarterly thereafter to May 16, 1927, inclusive; Aug. 15, 1927, and quarterly thereafter to and including May 15, 1930, 60 cents a share.

Officers and Directors—

Officers—A. R. Graustein, pres.; J. L. Fearing, vice-pres. and sales mgr.; E. A. Charlton, vice-pres.; R. J. Cullen, vice-pres.; J. H. Hinman, vice-pres.; W. N. Hurlbut, vice-pres.; H. A. Sheesley, vice-pres.; Owen Shepherd, vice-pres. and treas.; A. H. White, vice pres.; C. D. Young, sec.; E. E. Adams, asst. sec.; B. O. Booth, aud.

Directors—W. C. Baylies, William Chamberlain, F. D. Comerford, J. R. Macomber, H. C. Phipps, Philip Stockton, Boston, Mass.; M. G. Chace, Providence, R.I.; F. N. B. Close, Allen Curtis, Herman Elsas, A. R. Graustein, P. H. Jennings, Rudolf Pagenstecher, Owen Shepherd, A. H. Wiggin, New York, N.Y.; G. K. Simonds, Fitchburg, Mass.

CONTINENTAL PAPER PRODUCTS

Capitalization—	Authorized	Outstanding
Common	$1,250,000	$750,000
Pref. 7% cum. .. (Par $100.)	750,000	725,000

All owned by Continental Paper and Bag Corp.

Funded Debt—

6½ per cent first and collateral trust convertible sinking fund bonds, series "A," due 1943; outstanding $541,500.

CAN. INTERNATIONAL PAPER LTD.
(Controlled by International Paper Co.)

Capitalization—	Authorized	Outstanding
Common .... (Par value $100.)	$10,500,000	$10,370,500

All owned by International Paper Co., except directors' qualifying shares.

INTERNATIONAL FIBRE BOARD
(Controlled by International Paper Co.)

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	10,000 sh.	10,000 sh.
1st pref. (par $100)	$1,500,000	$1,500,000
2nd pref. (n.p.v.)	65,000 sh.	65,000 sh.

International Paper Co. owns $1,318,800 of the first preferred, 64,999 shares of the second preferred and all of the common.

Officers—E. A. Charlton, pres.; J. B. White and H. R. Weaver, vice presidents; Owen Shepherd, treas.; C. D. Young, sec.; E. E. Adams, asst. sec.

CAN. INTER. PAPER

Operations Are Maintained at Level Well Above Average

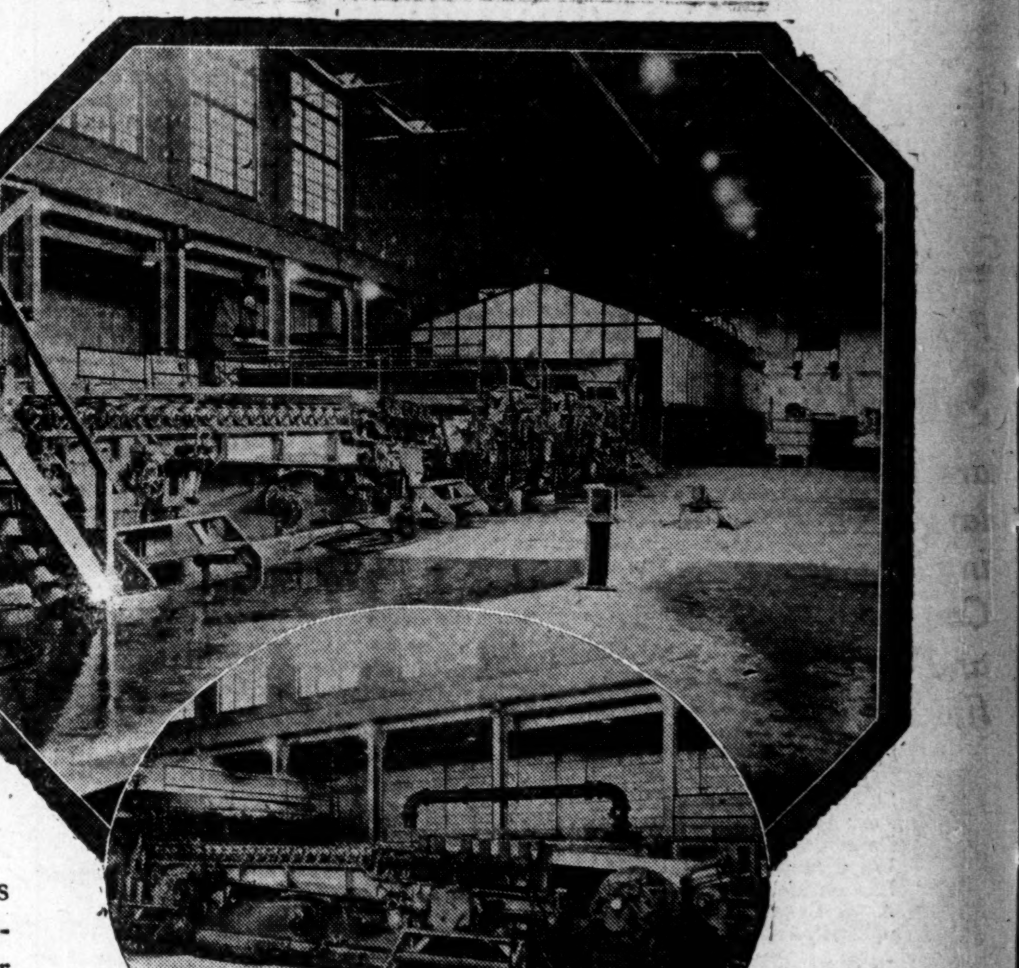
Controlled by Inter. P. & P.

Operations of Canadian International Paper Co., the holding company for pulp and paper properties in Canada of International Paper and Power, have been running about 80 per cent of capacity during recent months.

Canadian International Paper's stake in the Canadian pulp and paper industry passed the $110,000,000 mark at the close of 1930. This figure is exclusive of the investment made by International Paper in New Brunswick International Paper Co., which runs to between $20,000,000 and $30,000,000.

For the first time since its establishment in Canada, Canadian International has issued a report cov-

(Continued on page 35)


Cut costs with . . . . Modern MACHINERY

MANY new devices and designs are today available for paper manufacturers anxious to increase capacity and reduce costs. We are ready to study your existing equipment and offer suggestions.

DOMINION ENGINEERING Works Limited
MONTREAL CANADA

CAN. INTER. PAPER

(Continued from page 34)

ering its operations, balance sheet and earnings.

Output Moves Up

During the past year, the company produced 404,555 of newsprint, as compared to 397,242 tons in the preceding year. This is roughly one-sixth of the total Canadian production.

There was some curtailment in operating time with both the Three Rivers and Gatineau newsprint mills, but this was more than offset by increased operating efficiency.

Curtailment at the Three Rivers mill amounted to six per cent of operating time for the year, resulting in a slight decrease in total production, but average production per operating day was 720 tons as against 692 tons in 1929, 667 tons in 1928 and 653 tons in 1927.

Output of the Gatineau mill was considerably higher than in 1929, even after some curtailment in December. Average daily production from the four large newsprint machines amounted to 602 tons as against 574 tons in 1929, 472 tons in 1928, while the total production of the mill, including the fifth machine, averaged 638 tons per day as against 593 tons in 1929.

Production during February, 1931, was further increased to an average of 685 tons per operating day.

Cut Costs This Year

For the first six months of this year, further improvement was noted in operating efficiency. On the other hand, the decline in newsprint consumption which took place in the last half of 1930 is still unrelieved by any definite upward trend.

Aside from newsprint, Canadian International has an important stake in the bleached sulphite pulp fields, being one of the world's largest manufacturers. This product is used in the production of rayon and fine papers.

During the past year consumption of sulphite pulp decreased, while productive capacity of the pulp industry increased. This resulted in lower prices and some curtailment of production at the company's Kipawa and Hawkesbury bleached sulphite mills.

Develop New Pulp

As a result of several years of experimental work, the company has developed a new grade of rayon pulp which was placed in the market in 1930. This new product has been well received by the rayon industry and a number of manufacturers have standardized their processes for its use.

Cover Interest Needs

Net revenue of the company available for interest and depreciation in 1930 amounted to $5,724,726 compared with $5,934,185 for 1929. After deducting depreciation, earnings for 1930 available for interest amounted to $4,230,147, or over two and two-thirds times the interest requirements on all the company's first mortgage bonds and prior liens.

Revenues from the newsprint operations of the company were larger in 1930 than in 1929, but this improvement was offset by lower revenues from the bleached sulphite pulp mills.

For the first five months of this year, the company's earnings, after making the deductions for the five months in connection with the recent newsprint price cut, were approximately equal to the earnings for the corresponding period of 1930, the decrease in selling price being offset by the reduction in overhead expense.

CANADIAN INTERNATIONAL PAPER
(Controlled by Canadian International Paper Limited)

Capitalization—	Authorized	Outstanding
Common .... (Par $100.)	$10,000,000	$10,000,000

All owned by Canadian International Paper Ltd.

Funded Debt

First mortgage 6 per cent bonds, series due 1949; outstanding $24,750,000.

Gold debentures 6 per cent, due 1944; to be acquired by International Paper Co., authorized $15,000,000.

Riordon Pulp and Paper, 6 per cent 1st sinking fund debs., due 1942; outstanding $1,012,600.

Officers and Directors—

Officers—A. R. Graustein, pres.; Brig.-Gen. J. B. White, D.S.O., vice-pres.; E. A. Charlton, vice-pres.; F. G. Robinson, vice-pres. i/c sulphite sales; Owen Shepherd, vice-pres. and treas.; C. B. Thorne, vice-pres. i/c sulphite manufacture; Herbert J. Webb, compt.; Roy Campbell, asst. sec.

Directors — Hon. Raoul Dandurand, K.C., P.C., LL.D., V. M. Drury, J. A. Eccles, G. H. Montgomery, K.C., Hon. Donat Raymond, F. N. Southam, Brig.-Gen. J. B. White, D.S.O., Hon. Smeaton White, Montreal, P.Q.; G. C. Edwards, M.P., G. G. Gale, Ottawa, Ont.; J. H. Fortier, Quebec, P.Q.; A. R. Graustein, N. C. Head, J. S. Phipps, J. F. Rollins, A. H. Wiggin, New York, N.Y.; J. R. Macomber, Boston, Mass.; H. P. Robinson, Saint John, N.B.; T. A. Russell, E. R. Wood, LL.D., Toronto, Ont.

N.B. INTERNAT'NAL

Completion of Plant Makes for Lower Costs

Owned by International Paper

Last year witnessed the completion of New Brunswick International Paper Co.'s development programme at Dalhousie, whereby two additional paper machines were installed, bringing the capacity of the four units up to 500 tons of newsprint a day.

Due to its tidewater location, exceptionally low cost wood and modern equipment, Dalhousie mill has been able to operate on a very low cost basis, which has enabled the company to maintain operations at a relatively high rate of capacity.

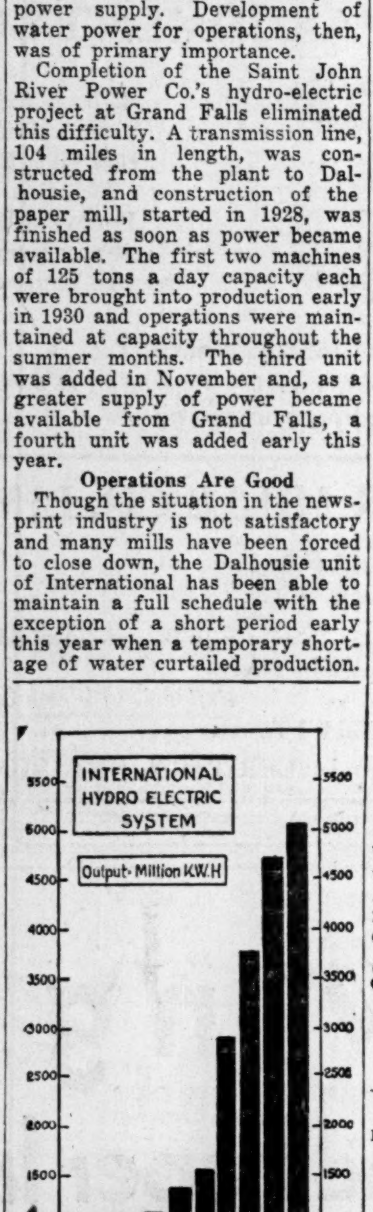
Needed Cheap Power

Construction of the mill by New Brunswick International Paper culminated a period of careful planning. For many years past, International Paper Co. owned extensive timber limits in New Brunswick. Their exploitation, however, was hampered by lack of adequate power supply. Development of water power for operations, then, was of primary importance.

Completion of the Saint John River Power Co.'s hydro-electric project at Grand Falls eliminated this difficulty. A transmission line, 104 miles in length, was constructed from the plant to Dalhousie, and construction of the paper mill, started in 1928, was finished as soon as power became available. The first two machines of 125 tons a day capacity each were brought into production early in 1930 and operations were maintained at capacity throughout the summer months. The third unit was added in November and, as a greater supply of power became available from Grand Falls, a fourth unit was added early this year.

Operations Are Good

Though the situation in the newsprint industry is not satisfactory and many mills have been forced to close down, the Dalhousie unit of International has been able to maintain a full schedule with the exception of a short period early this year when a temporary shortage of water curtailed production.



Penmans Two-Ply

Suction Felts

are used by large Newsprint Manufacturers in various Countries of the World and acknowledged to be the finest Suction Felt on the market

A 320-inch loom has recently been installed in our plant at St. Hyacinthe, P.Q., where good felts for the Pulp and Paper making industry are produced.

As well as the famous Two-Ply Suction Felts, there are available the Standard Suction Felt and other types of felts used in Book, Board and Specialties.

PENMANS LIMITED — ST. HYACINTHE, P.Q.

Penmans LIMITED

INTER. HYDRO ELECTRIC

Canadian Operations Hold Up Satisfactorily, But American Returns Reflect Unsettlement in New England Industry

Controlled by International Paper and Power

International Hydro-Electric System, controlled by International Paper and Power Co., is one of the largest power operators on the American continent. Its development over the past five years has been on a very broad scale, with a corresponding increase in output and earnings.

As at present constituted, International Hydro-Electric is the holding company for two principal subsidiaries, namely, New England Power Association for the United States and Canadian Hydro-Electric Corp. for Canada. The properties operated by these companies are located in Quebec, Ontario, New Brunswick, Massachusetts, Rhode Island, New Hampshire and Vermont.

Serves Big Field

Space does not permit giving other than a broad survey of the vast ramifications of International Hydro-Electric System. Through New England Power, the system operates over an area of 9,500 square miles, serving light and power to more than 250 communities with a population in excess of 2,500,000. Canadian Hydro-Electric Corp., on the other hand, is largely a wholesale power producer, though it is active in the retail field through the Gatineau Electric Light Co.

Power plants owned and operated have an installed capacity of 1,103,600 h.p. generated by water and nearly 500,000 h.p. produced by steam electric plants.

Last year the output of the properties now constituting International Hydro-Electric System was 4,145,029,000 kw.h., an increase of 9 per cent over the output of the same properties in the preceding year.

Earnings Are Maintained

For the current year, earnings of Canadian Hydro-Electric Corp., the Canadian subsidiary, are showing consistent improvement over a year ago, due to increased contract deliveries. On the other hand, in the territories served by New England Power Association, business conditions are considerably below normal and this situation has been accentuated by poor winter water conditions, which have since shown an improvement.

During the four months ended April last, consolidated income account of the system showed a total gross revenue of $17,249,989. Figures for the same period of 1931 are not available, but some idea of growth is seen in a comparison of returns for the year ended Dec. 31, 1930, when gross revenue amounted to $50,397,825.

Net profit, after interest, depreciation, taxes, dividends on stocks of subsidiaries, etc. was $1,004,989 during the four months period, as against $3,790,693 for all of 1930.

Cumulative Returns Higher

During the 12 months ended June 30, gross revenue of the system was $50,673,960, compared with $49,808,828 in the preceding 12 months. Consolidated earnings available for dividends on the class "A" stock were $2,795,930 compared with $3,351,203 in the preceding year.

International Hydro-Electric

Capitalization—	Authorized	Outstanding
Common (No par value).	60,000,000 sh.	40,000,000 sh.
Class "A" (No par value).	2,000,000 sh.	821,118 sh.
Class "B" (No par value).	2,000,000 sh.	1,000,000 sh.
Preferred*	1,000,000 sh.	
$3.50 conv. series		142,799 sh.

There are also outstanding 66,673 warrants for the purchase of Class "A" stock.

*175,000 shares were designated $3.50 convertible series, 117,799 shares of which were issued in exchange for bonds of United Electric Rly. Co. This offer is now closed. 25,000 shares were issued to International Paper and Power Securities, Inc. All Class "B" and common held by International Paper & Power Co.

Funded Debt—

Convertible gold debs., 6 per cent, due 1944, outstanding, $30,000,000.

Dividend Record—

Preferred—$3.50 per annum payable Jan., April, July and Oct. 15. Initial dividend paid July 15, 1930 and regularly since.

Class "A"—$2 per share per annum, cumulative, preferred, payable quarterly Jan., April, July and Oct. 15.

Initial dividend of 50 cents paid July 15, 1929, payable either in cash or as 1/50th share class "A" stock. Regularly since with same provisions.

Class "B" and common—None paid.

INCOME AND SURPLUS ACCOUNT
Quarter Ended June 30

	1931 $	1930 $
Gross rev., incl. other inc.	12,378,540	12,163,120
Less: Oper. exp., taxes & maintenance	5,042,527	5,236,675
Net revenue	7,336,013	6,926,445
Less: Int., deprec., divds. & amts. appl. to min. int. in subs.	6,713,414	6,187,435
Bal. avail. for divds.	622,599	739,010
Less appropriations:		
$3.50 pref. divds.	124,952	116,642
Class "A" divds.	423,034	394,717
Net added to surplus	74,613	227,651
Earnings per Share:		
Preferred: Earned	$4.36	$5.17
Paid	0.87½	0.87½
Class "A:" Earned	0.60	0.82
Paid	0.50	0.50

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Class "A"	29	22	54	23	59½	23

*To Sept. 16.

NEW ENGLAND POWER

Operations and Revenue Reflect Falling Off in Industry

Subsidiary of Inter. Hydro-Electric
Controlled by Inter. P. & P.

Power operations of International Hydro-Electric System in the United States come under the control of the New England Power Association, which organization ranks as one of the largest producers in the New England field.

NEW ENGLAND POWER
(Controlled by International Hydro-Electric)

Capitalization—	Authorized	Outstanding
Common (No par value).	1,200,000 sh.	932,281 sh.
$2 preferred* (No par value).	150,000 sh.	16,645 sh.
6% pref. cum. (Par $100).	$102,824,800	$65,699,400†

*Issuable to customers and employees.
†After deduction of $1,629,395 discount.

Funded Debt—

5 per cent gold notes, due Dec. 1, 1932, outstanding $20,000,000.

5 per cent gold debs., due 1948; outstanding $25,000,000.

5½ per cent gold debs., due 1954, issued $25,000,000.

Dividend Record—

Preferred—6 per cent per annum payable Jan., April, July and Oct. 1. Paid regularly since April, 1926.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Gross oper. rev.	38,228,480	38,196,784
Other income	2,992,306	2,211,225
Total income	41,220,786	40,408,009
Less: Oper. exp.	14,295,065	21,623,870
Maintenance	3,097,791	
Taxes	3,732,224	
Net income	20,095,706	18,784,139
Less: Depreciation	3,305,792	2,965,778
Int. & amort. of disc.	6,422,084	5,088,436
Min. int. in earn. of subs.	692,114	1,207,429
Pref. & cl. "A" divds. of subs.	1,498,535	1,520,042
Net profit	8,177,181	8,002,454
Less appropriations:		
6% pref. divds.	3,946,706	3,487,578
$2 pref. divds.	12,555	....
Common divds.	1,853,662	†
Surplus for year	2,364,258	*4,514,876
Add: Prev. surplus	6,436,329	†
Bond disc. of subs.	3,091,270	†
Less: Other surp. chgs.	59,179	†
Bal. carried forward	11,832,678	*6,436,329

†Figures not available.
*Before common dividends.

	1930	1929
Times Int. & Amort. of Disc. Earned:		
Before deprec.	3.13	3.69
After deprec.	2.61	3.11
Earnings per Share and Dividend Record:		
6% Pref.: Earned	$12.45	$12.51
Paid	6.00	6.00
$2 Pref.: Earned	*254.16	....
Paid	1.00	....
Common: Earned‡	4.52	5.16
Paid	2.00	2.00

*Nominal.
‡Based on outstanding stock at end of fiscal year; earnings based on average outstanding shares during the year were $4.57 in 1930 and $5.24 in 1929.

CAN. HYDRO-ELEC.

Benefits of Ontario Hydro Contract Growing

Subsidiary of Inter. Hydro-Electric
Controlled by Inter. P. & P.

Canadian Hydro-Electric Corp., is a holding company for International Paper and Power Company's power properties in Canada. It is one of the largest producers of electrical energy not only in this country, but in other countries.

Properties controlled by Canadian Hydro include Gatineau Power Co. and its subsidiaries, as well as St. John River Power Co. The former controls developed water power to the extent of 679,000 h.p., and the latter 80,000 h.p.

Operating subsidiaries of Canadian Hydro-Electric have several important long-term contracts with the Ontario Hydro-Electric Power Commission and other consumers requiring deliveries of primary power in the aggregate from 250,000 h.p. on October 1, 1928, to more than 480,000 h.p. beginning October 1 this year and ultimately to a total of 505,000 h.p. Up to September 1, deliveries were being made at the rate of 250,000 h.p. On October 29, deliveries were increased to 325,000 h.p. and in December last the rate of delivery had attained 450,000 h.p. There are a number of other important contracts, including that with the Canadian International Paper Co.

Show Larger Earnings

An interim report issued by the company shows that for the fiscal year ended June 30, 1931, net revenue available for dividends was $2,044,076, or $16.35 a share on the first preferred stock. This compares with $1,484,446, or $11.88 a share in the twelve months ended June 30, 1930.

Gross revenue for the fiscal year ended June, 1931, was $8,826,433, against $7,791,036 in the preceding twelve months' period. Even after allowing higher charges for interest and depreciation, the net added to surplus for the year was $1,294,076, compared to $734,446 in the preceding fiscal year.

(Controlled by International Hydro-Electric System)

Capitalization—	Authorized	Outstanding
6% cum. 1st pfd. (Par $100).	$37,500,000	$12,500,000
6% non-cum. 2nd pfd. (Par $100).	25,000,000	25,000,000
Common shs. (No par value).	1,000,000 sh.	1,000,000 sh.

Both 2nd preferred and common are held by Interntional Hydro-Electric System which is a direct subsidiary of International Paper and Power Co.

Funded Debt—

None, but as at Dec. 31, 1930, funded debt of subsidiaries totalled $81,932,322.

Dividend Record—

First preferred, 6 per cent per annum, payable March, June, Sept. and Dec. 1. Initial dividend paid March, 1928, and quarterly since. Second preferred and common. None paid.

Officers and Directors—

CONS. INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Gross earnings	8,513,408	6,855,777
Less expenses:		
Maintenance	223,649	159,335
Operating	643,958	557,084
Admin. and general	440,051	425,066
Net earnings	7,205,750	5,714,292
Less: Depreciation	663,776	406,861
Amort. of stor. wks.		47,697
Amort. of disc. on bonds	293,014	239,936
Interest	4,321,762	4,027,915
Net profit	1,927,198	991,883
Less appropriations:		
Divds. on min. int. in pref. stock of subs.	2,266	....
1st. pref. divd.	750,000	750,000
Surplus for year	1,174,932	241,883
Add: Previous surplus	7,084,615	6,842,732
Balance forward	8,259,547	7,084,615
Times Interest Earned:		
Before deprec. & amort.	1.67	1.42
After deprec. & amort.	1.51	1.30
Earnings per Share and Dividend Record:		
1st pref.: Earned	$15.40	$7.93
Paid	6.00	6.00
2nd pref.: Earned	1.75	.97
Paid	...	...

Common: None earned or paid.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
1st pref.	80	52	92½	72	90	81¼

*To Sept. 16.

GATINEAU POWER

Increasing Deliveries and Larger Revenue Are Reported

Subsidiary of Can. Hydro-Electric

Production and revenue of Gatineau Power Co., principal subsidiary of Canadian Hydro-Electric Corp., which in turn is controlled by International Hydro-Electric System, continue to show expansion.

Gatineau Power has under way at present installation of the seventh 34,000 h.p. generator in the Paugan plant. Inasmuch as the station is designed for eight generators, no extensions of power house structure have been required for the new unit. Only the cost of the machinery is involved, resulting in a comparatively low additional cost per h.p. Upon completion of the new unit, the Paugan plant will have an installed capacity of 238,000 h.p.

Increase Power Deliveries

The new generator is required to meet further increases in delivery of power next month, under Gatineau Power's long-term primary power contract with the Hydro-Electric Power Commission of Ontario. Delivery of primary power to the Commission under the company's three contracts are now aggregating 288,000 h.p. and 166,440 h.p. of primary power is being delivered to other contract customers of the company.

The new generator at Paugan will raise the installed capacity of Gatineau Power's hydro-electric plants to 679,000 h.p.

Despite generally unsettled business conditions, the output of electric energy of Gatineau Power Co., thus far this year (end of August) has averaged over 1 per cent higher than in the corresponding period of last year.

Earnings Show Gain

From a financial point of view, earnings of the company have been on a satisfactory basis. Gross revenue in the quarter ended June 30, 1931, was $2,202,711, an increase of about $266,000, while for the twelve months period gross revenue was higher by $1,120,000 at $8,154,002.

Direct comparisons, however, are hardly feasible since earnings for the quarter ended June 30 include earnings of Gatineau Electric Light Co., now a subsidiary. Prior to April 1, these figures were segregated. Since the same date, the statements include interest requirements on an additional $8,500,000 of 5 per cent first mortgage bonds of Canada Power.

Despite the higher interest on first mortgage bonds in the quarter ended June 30, amounting to $879,692 as against $784,269, balance added to surplus was $381,354, as compared with $318,120. Provision for depreciation was also higher.

Net earnings for the twelve months ended June 30 last, before interest and depreciation, were $7,121,204 as compared with $6,145,059 in the preceding twelve months. After all charges, including depreciation, other interests and amortization, there remained a balance of $1,456,494, an increase of nearly $500,000.

(Controlled by Can. Hydro-Electric Corp.)

Capitalization—	Authorized	Outstanding
Common* (Par $5).	$2,500,000	$2,500,000
Pref. 6% cum. (Par $100).	$25,000,000	$25,000,000

*Changed from no par value April, 1931. All issued stock of both classes, except directors' qualifying shares, owned by Can. Hydro-Electric Corp.

Funded Debt—

5 per cent first mortgage sinking fund bonds, due 1956; outstanding $70,942,000 (including issue of $8,500,000 made in March, 1931).

6 per cent sinking fund debentures, due 1941, outstanding, $11,446,500.

6 per cent debs. "B," due 1941, outstanding, $7,500,000.

WESTMINSTER PAPER

Directors Declare Stock Dividend for Past Year

Financial statement of Westminster Paper Co., for the fiscal year ended July 31 last shows profits of $21,335. The balance sheet indicates current assets of $167,128 (including $85,543 in inventories) compared with current liabilities of $98,937.

The directors announce the declaration of an 4 per cent stock dividend for immediate distribution.

The present statement covers the first full year of operation after being closed down for 12 months following the fire.

Since commencement of operations in the new plant a year ago last May, Westminster Paper Co., of New Westminster, B.C., has been able to maintain plant operations on a comparatively high scale.

It will be recalled that in 1929 the company suffered the misfortune of having its plant burned. Steps were immediately taken to replace the structure with a modern fire-proof building and up-to-date machinery.

Production of Westminster Paper is largely paper specialties, such as fruit wrappers, tissue papers, etc. The company has been particularly active in securing export trade, with the result that for some time this year the plant was two months behind orders.

The net profit for the first six months ended June 30, 1931, is reported to have been $36,438. Since the plant has only been in operation for one year, comparable figures for 1930 are not available.

Install Printing Machine

A new development during the current year was the installation of a new two-color high-speed printing press, to be used in connection with the printing of fruit wrappers. The machine has a capacity of approximately 20,000 sheets an hour. Twenty wrappers are cut from each sheet, making the capacity of the press between 400,000 and 500,000 wrappers per hour.

Some idea of the extensive export trade carried on by the Westminster Paper Co., may be gathered from the fact that shipments are made to New Zealand, Australia, China, United States. In addition, of course, there is a large domestic market, particularly in British Columbia where the wrapping of fruit is a general practice.

Westminster Paper also operates a plant at Bellingham, Wash, through a subsidiary, Pacific Coast Paper Mills. Products handled by that organization are similar to that of the parent company.

Investment interest in the Westminster Paper Co. is largely of a local character. At the time of the re-establishment of the plant, the municipality guaranteed interest on $300,000 of the first mortgage bonds. At the same time 24,588 common shares of a total outstanding issue of 46,005 shares, were offered to the public at $10 a share.

Capitalization—	Authorized	Outstanding
Com. ($10 par)	$500,000	$460,050

Funded Debt—

First mortgage bonds, 6½ per cent, due 1950; outstanding $300,000.

Officers and Directors—

Officers—J. J. Herb, pres. and mgr.; A. Wells Gray, vice-pres.; H. M. Lord, sec.

Directors — J. J. Herb, Bellingham, Wash.; H. M. Lord, A. Wells Gray, New Westminster; J. G. Robson, John Peck, C. S. Henley, F. Smith, F. Wright, Vancouver, B.C.

Dividend Record—

Common—In Sept., 1931, 4 per cent stock dividend announced for immediate distribution, fractional shares to be adjusted by cash on 4 per cent basis.

Income and Surplus Account*

	Year ended July 31 †1931 $	6 mos. ended Jan. 31 1929 $	Year ended July 31 1928 $
Net sales	......	284,929	388,396
Less: Cost of sales	......	219,268	313,279
Gross earn. from oper.	......	65,661	75,117
Add: Misc. inc.	......	224	1,952
Total gr. earn.	......	65,885	77,069
Less: Selling and admin. exp.	......	23,798	40,597
Net earn.	21,336	42,087	36,472
Less: Deprec.	12,952	9,662	17,645
Bond int.	......	2,341	4,983
Bond int. w/o	......	375	750
Prel. exp. w/o	......	691	1,382
Prov., inc. tax.	......	......	1,297
Surp. for per.	......	29,018	10,415
Add: Prev. surp.	......	20,923	10,508
Bal. car. for.	......	49,941	20,923

* 1929 accounts destroyed in fire.
† Only figures available at time of going to press.

Times Interest Earned:			
Before deprec.	......	17.98	7.32
After deprec.	......	13.85	3.78
Div. Record and Earn. per Share:			
Earned	......	$0.63	$0.28

4 per cent stock dividend declared in September, 1931.

PACIFIC MILLS

CROWN-WILLAMETTE

Operations on a Better Scale Following Water Shortage

Pacific Mills Ltd., Canadian operating subsidiary of Crown-Zellerbach Corp. (one of the largest newsprint producers in the United States and a force in the mid-west and Pacific coast trade) has improved its position.

During 1928 and 1929 the company suffered through scarcity of water, which compelled the closing down of the kraft and newsprint sections. This handicap was overcome by enlarging the storage dam facilities, while other improvements carried out included the installation of a new four speed turbine; construction of a new grinder room, as well as several other buildings, and installation of new machinery.

Consequent upon this improvement programme, the operating position of the company underwent considerable improvement. Operating profits during the sixteen months ended April 30, 1931, totalled $3,382,798. After provision for all senior charges, there remained $445,510 applicable to the 75,000 common shares at $100 par value outstanding. This was equivalent of $5.94 a share.

During the sixteen months period, Pacific Mills spent $580,389 on additions and improvements to properties, which are now shown on the balance sheet at $25,760,092, less reserve of $8,749,846 for depreciation.

Further improvement is noted in the balance sheet position of the company. At the end of April last current assets totalled $3,246,938, compared with current liabilities of $515,852, leaving a net working capital of $2,731,086.

Lower Funded Debt

During the year bonds amounting to $365,800 were redeemed, reducing the funded debt to $3,867,200. In addition to this the company has a capital stock outstanding including 19,989, 6 per cent cumulative preferred shares of $100 par value each and 75,000 common shares of the same par value.

Pacific Mills was formerly controlled by Crown-Williamette, which company was taken over by Crown-Zellerbach. Principal operations of Pacific Mills are carried on at Ocean Falls, B.C., while a paper specialties plant is operated at Vancouver. Productive capacity of the different plants amounts to about 75,000 tons of newsprint annually, about 9,000 tons of finished wrapping papers; and nearly 5,000 tons of wrapping and tissue papers, as well as a surplus production of pulp.

There is little investment interest in the Pacific Mills, Crown Willamette owning 92.47 per cent of the common stock and 68.94 per cent of the preferred stock.

CROWN-WILLAMETTE PAPER
(Controlled by Crown-Zellerbach Corp.)

Capitalization—	Authorized (shares)	Outstanding (shares)
Common (n.p.v.)	1,000,000	1.000,000
1st pref. $7 (n.p.v.)	200,000	200,000
2nd pref. $6 (n.p.v.)	41,000	41,000

Funded Debt—

First mortgage 6%, s. f. gold bonds, due 1951; outstanding $18,303,000.

Dividend Record—

First preferred—$7 per annum, payable quarterly, Jan., Apr., July and Oct. 1; initial quarterly dividend paid Apr. 1, 1926.

Second preferred—Initial dividend of $1.50 per share paid Apr. 2, 1928, regular payments since, Jan., Apr., July and Oct. 1. No dividends on common.

Officers and Directors—

Louis Bloch, pres.; A. J. Lewthwaite, vice-pres.; A. B. Martin, executive vice-pres.; F. G. Wight, F. Schwabacher, G. P. Berkey, R. A. McDonald, vice-presidents; T. McLaren, vice-pres. and treas.; D. J. Goldsmith, sec. and asst. treas.; C. M. Whitney, J. L. Seeley, L. Frank, asst. treas. and asst. sec.; H. Fleishacker, M. Fleishacker, C. K. McIntosh, E. S. Pillsbury, J. H. Schwabacher, G. S. Towne, W. H. Orrick, I. Zellerbach, G. Leib.

PACIFIC MILLS
(Controlled by Crown-Willamette Paper Co.)

Capitalization—	Authorized	Outstanding
Com. ($100 par)	$7,500,000	$7,500,000
Pf. 6% ($100 par)	2,000,000	1,994,100

The Crown-Williamette Paper Co. owns 92 per cent of the common stock and 67 per cent of the preferred stock.

Funded Debt—

6 per cent bonds outstanding, $4,070,900.

Officers—

A. B. Martin, pres.; Louis Bloch, chairman; A. J. Lewthwaite and F. N. Youngman, vice-pres.; J. H. Lawson, sec.; C. L. Barker, treas.

A. P. W. Pulp Co.

Controlling interest in the A. P. W. Paper Co., of Albany, New York, which in turn operates a Canadian subsidiary known as the A. P. W. Pulp and Paper Co., Sheet Harbor, N.S., now rests with Roger W. Babson, of the Babson Statistical organization.

The Canadian unit has been in operation for many years, operating a plant of a daily capacity of 100 tons of air-dried groundwood pulp. Output is marketed through the American affiliation, shipments being made from the mill by water to New York City.

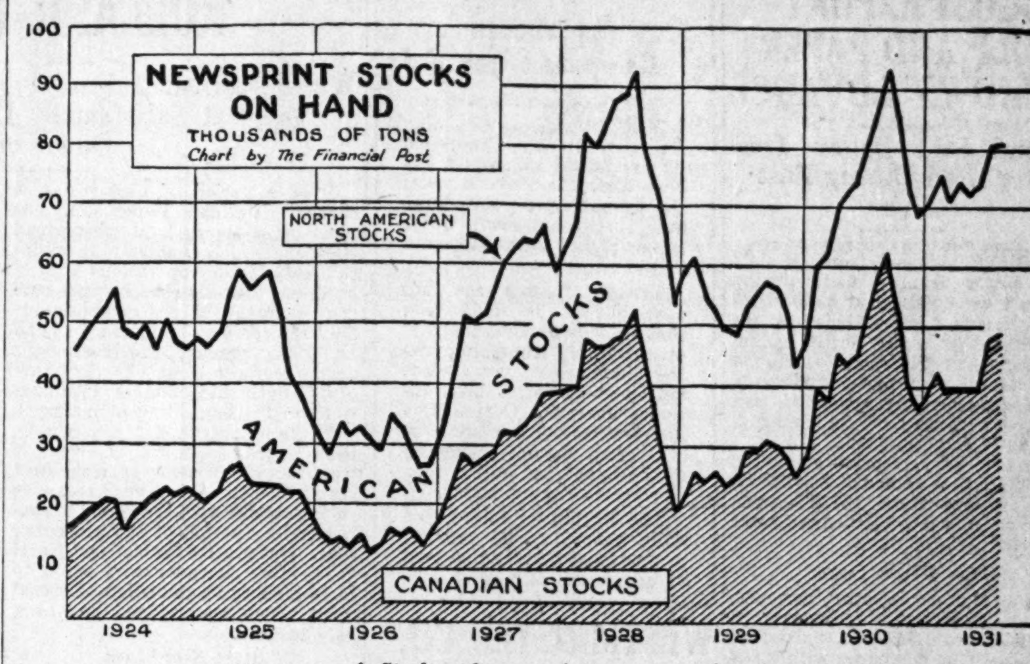
Capitalization—	Authorized	Outstanding
Common	$1,500,000	$900,000

Funded Debt—

Officers and Directors—

Officers—W. Wheeler, Jr., pres.; F. A. Gaylord, vice-pres. and sec.; W. A. Wheeler, treas.; V. D. Bierman.

Newsprint Stocks on Hand Continue Relatively High



Stocks of newsprint paper on hand at United States and Canadian mills have remained consistently high this year. Failure of seasonal increases in consumption to materialize, have played their part in keeping stocks at a high level. In the above chart it will be noted that since 1929, the average of stocks on hand has crept up, the increases being almost equal between Canada and the United States.

Brown Corporation

(A Canadian Corporation)

THE holdings of this corporation comprise a pulp-making plant with a daily capacity of 300 tons of sulphate pulp, and chemical works for utilization of all waste, representing a cash investment of $19,000,000.

Water-power (developed and undeveloped), 140,000 h.p. The corporation's timber lands comprise approximately:

1,000,000 acres in fee simple.
2,300,000 acres in timber leases.
160,000 acres in stumpage.

With an estimated total of over 13,000,000 cords of pulpwood, the corporation has practically an unlimited supply of raw material.

Paper Manufacturers know Brown Corporation as a concern making a variety of pulps for special purposes. The most recent and outstanding achievement is Alpha Fibre, a pulp of exceptionally high cellulose content for use as a furnish in the better grades of writing and record papers.

Most of the fibres made by Brown Corporation are sold to the parent company, Brown Co., Portland, Maine, and are converted into a variety of products such as yarns, innersoles, and upper-stock for shoes, the famous Nibroc Towels, etc.

— Capital —

Common - $14,000,000

Principal Offices:
71 St. Peter Street - - QUEBEC, P.Q.
Mills at LA TUQUE, P.Q.
Sales Office: 509 New Birks Bldg., Montreal, P.Q.

AUGUST EXPORT PULP AND PAPER SHOWS ADVANCE

Trend Still Below That Reported During Past Year

From Our Own Correspondent

MONTREAL. — Exports of pulp and paper from Canada during August were valued at $11,185,489 according to figures issued by the Dominion Bureau of Statistics. Increases were recorded in August exports of both paper and pulp, compared with July, though figures showed a falling off in comparison with August, 1930.

Exports of newsprint amounted to 160,175 tons valued at $8,416,977. July exports were 157,205 tons, while in August, 1930, there were exported 170,106 tons.

Book Paper Lower

Exports of book paper, however, showed a decline. Shipments in August were 1,965 cwt. valued at $15,905. This compares with 2,988 cwt. in July, 1931 and 2,243 cwt. in August, 1930, having values of $23,451 and $22,097 respectively.

Kraft exports, on the other hand, were higher in August at $11,468 cwt. valued at $52,816 as compared with 10,804 cwt. having a value of $50,775 in July. Figures for August, 1930, however, were 18,774 cwt. totalling $92,833.

A sharp gain in exports of wrapping paper was recorded in August. Shipments were 6,452 cwt., an increase of nearly 6,000 cwt. over the previous month and 4,000 cwt. higher than in August, 1930.

Specialties Move Up

Other divisions to record gains were bags, boxes and cartons of paper, of which exports in August were $5,142, slightly below the figures for the previous month but higher by $1,000 over August, 1930. Exports of wallboard also showed a gain over August, 1920, though falling slightly below those of July, 1931.

Reflecting a slight improvement in paperboard manufacturing operations, exports in August were valued at $84,401, an increase of $33,000 compared with the previous month. Exports in August, 1930, however, were valued at $102,738.

Paper Shipments Gain

Following are figures covering exports of paper in August compared with those of the preceding month and the corresponding month of last year:

	August 1931 $	July 1931 $	August 1930 $
Newsprint	8,416,977	8,223,891	9,822,775
Others	266,140	238,629	337,822
Total	8,683,117	8,462,520	10,160,657

Pulp Exports Ahead

Pulp exports in August were $2,502,372, a slight increase over the July total which was $2,475,628. Rigures for August of last year were $2,539,680.

Exports of bleached sulphite in August showed gains over the previous month in the same year and same month in 1930, though values in August were slightly below those in July. Exports of groundwood pulp also showed a gain over July, but fell slightly below the figures for August, 1930.

Following are figures covering exports of pulp in August, with comparative figures:

	August 1931 $	July 1931 $	August 1930 $
Sulphate	72,036	222,400	284,086
Sulphite (bl.)	1,479,786	1,506,419	1,141,310
Sulphite (unbl.)	330,325	436,935	478,847
Mechanical	492,189	274,622	555,796
Screenings	12,663	15,358	21,126
N. O. P.	15,423	19,894	58,515
Total	2,502,372	2,475,628	2,539,680

Cumulative Total Down

In the first eight months of this year, total exports of pulp and paper were valued at $95,547,366 compared with $119,117,190 in the same period in 1930. Newsprint recorded the greatest decline, exports in the eight months' period totalling $72,974,990, a reduction of nearly $16,000,000.

Following are exports for the eight months of the year, compared with those for the corresponding period of last year year.

Paper:	1931 $	1930 $
Newsprint	72,974,990	88,701,600
Others	2,558,942	3,563,933
Total	75,533,932	92,265,533
Pulp:		
Sulphate	2,387,682	3,566,077
Sulphite (bl.)	10,732,021	12,554,270
Sulphite (unbl.)	3,692,366	6,598,820
Mechanical	2,854,180	3,611,302
Screenings	160,015	*521,183
N. O. P.	149,948	......
Total	20,013,434	26,851,657
Total P. & P.	95,547,366	119,117,190

Note: *—Includes both screenings and N. O. P.

Interlake Tissue

Operations of the Interlake Tissue Mills Co. are being carried on on a full time basis, with sales slightly below last year's level at this time. It is not expected that earnings for 1930 will be quite as good as 1929; according to present indications, they are running about 12 per cent lower. During the current year the company has been carrying out additional work on its mill, a new heavy service crêpeing machine has been installed. A new wet end was installed to the No. 1 machine, increasing production by approximately 25 per cent.

Interlake Tissue's plant at Merritton, Ont., produces lightweight paper, napkins, towels, decorative crêpe and other high-grade products. There is little direct public investment interest in the enterprise.

Capitalization—	Authorized	Outstanding
Common	$1,000,000	$625,000

Funded Debt—
6 per cent first mortgage sinking fund bonds, due 1935; outstanding $175,000.

Dividend Record—
6 per cent payable Jan., Apr., July and Oct. 1. Paid regularly.

Officers and Directors—
G. Carruthers, pres. and gen. mgr.; S. F. Duncan, vice-pres. and treas.; Wm. Parks, sec.; A. Fasken, Toronto; S. B. Munroe, A. B. Connable, A. E. Curtenius, Kalamazoo, Mich.; T. A. Weldon.

Earnings—
Net earnings for year ended December 31, 1930, after all expenses, bond interest, depreciation, income tax, and premium paid on bonds redeemed, $48,869; less dividends, $37,500. Surpus for year, $11,369; previous surplus $146,939. Balance carried forward, $158,308.

Has Long History

The first wood grinder in America was installed in 1866 at Valleyfield, P.Q., when Alex. Buntin began the manufacture of wood pulp by the mechanical process.

Can. Paperboard Re-opens Frankford

From Our Own Correspondent

MONTREAL. — Canadian Paperboard Co. has reopened its Frankford mill, which has been closed for over a year; the Campbellford unit, however, is still shut down. Other active plants are in Toronto and Montreal.

Though figures are not available, it is understood that Canadian Paperboard is operating profitably, but it is thought that earnings are not sufficient as yet to cover interest charges. Competition in the paperboard industry is still keen, though reopening of the Frankford mill is seen as an encouraging factor.

The Frankford mill has a daily output of 30 tons of groundwood pulp and 50 tons of all grades of paperboard.

WESTMINSTER CO. RECORDS PROFIT IN FIRST YEAR

Directors Declare Stock Dividend of Four Per Cent

From Our Own Correspondent

Westminster Paper Co. had a net profit of $21,336 for the fiscal year ended July 31, 1931. This is the first full year of operation following a year of inactivity due to destruction of the former plant by fire. The company has been able to re-establish itself in the market and has operated at capacity during the past year, while directors anticipate further improvement from an earnings standpoint in the current fiscal year. A stock dividend of 4 per cent has been declared on the $10 par value common stock of which there are 46,005 shares outstanding.

Total assets of the company at July 31, 1931, amounted to $979,545, of which $167,129 was current. Current liabilities totalled $98,937 leaving a working capital of $68,192. Inventories are carried at $85,543, accounts receivable at $55,325 while cash and cash surrender value of life insurance exceed $24,000. Current liabilities include $30,000 of bank loans and $53,519 of accounts payable.

Capital assets are carried at $698,526 after allowance of $12,592 for depreciation provided in the past year. Leasehold, less sales to date, is valued at $70,000, while buildings are carried at $566,397 after giving effect to $43,565. The balance sheet also shows investments at cost in Pacific Coast Paper Mills amounting to $107,375 of which $100,000 is in 6½ per cent first mortgage bonds.

In addition to current liabilities of $98,937, the company has outstanding $300,000 of 6½ per cent first mortgage debentures and 46,005 shares of $10 par value common stock carried at $460,050. Capital surplus arising through appraisal of capital assets, less charges in connection with reorganization of the company, amounts to $99,221 and earned surplus built up during the past year accounts for another $21,336. Contingent liabilities, consisting of trade paper discounted, amount to $35,712.

Westminster Paper Co. manufactures wrapping and printed papers of all descriptions at New Westminster, B. C. Through a subsidiary, Pacific Coast Paper Mills, the company operates a similar plant at Bellingham, Wash., U. S. A.

In his report to shareholders, J. J. Herb, president of the company, stated that the past year had been rather difficult due to the fact that the plant was out of operation for one year previous. Getting business back during these depressed times had required a great deal of effort and expense, but the company had succeeded in establishing itself once again in the market and had been able to run capacity at all times.

Prices on finished products, he said, were lower than they had been for years, but by rigid economy in plant operation, and by obtaining reduced cost on raw materials, the company was able to operate at a profit.

PUBLISHERS SEEK SMALLER WIDTH FOR NEWSPRINT

From Our Own Correspondent

MONTREAL. — Representatives of newsprint consumers in the United States have sought from the Customs Bureau a modification of newsprint paper classifications, so as to decrease the limit on width and increase the present standard of thickness. Present newsprint classifications limit the minimum width of the paper imported into the United States, duty free, to 16 inches. The representative of the American Newspapers' Association, New York, declared that his Association sought a minimum limit of 15 inches as far as width was concerned.

Smaller width paper, he said, was especially desired by those papers printing comic and magazine sections, and cited the case of one large chain of newspapers which alone uses 15,000 tons a year of newsprint less than 16 inches in width. Under the present classifications, he declared, their expenses are $50,000 to $100,000 higher than they would be if the width standard was less than 16 inches.

The same representative sought an increase from the present thickness of newsprint. He complained that paper from mills was hardly ever of the same thickness, and that weather conditions encountered in importing paper into the United States by boat or train often swelled paper above the .004 thickness standard.

Actions of Customs collectors in appraising rolls of imported newsprint were also protested. It was stated that the present practice of collectors was to take from 20 to 40 samples of the same roll of paper in inspecting a shipment. Such action, it was contended, ruined the roll of paper and it was declared that spoilage through inspection cost the importer more than would a duty on the product.

ROLLAND PAPER CO.

Well-Established Fine Paper Maker Holds Operations at Satisfactory Level Despite Slowing Down of Trade

Over a period of nearly half a century, Rolland Paper Co. has built up a strong and widespread clientèle, which enables it to maintain satisfactory operations both in good and bad times. Though current earnings of the company reflect the decreased demand for bond and fine papers, the company's earning power compares very favorably with that of other organizations in the same line of business.

While no recent statements have been issued, earlier in the year it was stated that earnings in the first quarter of the fiscal year compare satisfactorily with those of the corresponding period of the preceding year. Net profits for the past fiscal year, after charges, were equal to $1.16 a share on the common stock, upon which no dividend has been paid to date.

Start New Lines

Though Rolland Paper Co.'s activities are largely centred on the manufacture of high-grade bond and fine papers, it has been broadening out its lines to include the production of paper for blue print work. This material hitherto has largely been imported into Canada; the company is now manufacturing on a substantial scale and is finding a fairly wide market for it.

As already mentioned, Rolland Paper is in the satisfactory position of having a trade of more than ordinary stability. The company has a number of long term contracts which give it a good backlog for operations. One of these, not generally known, is a contract for a substantial portion of the paper used for manufacture of Dominion postage stamps. Business of this nature is regular and enables the plant to be operated at a satisfactory level.

No New Additions

No major changes have been made in equipment lately. Two years ago the company installed an 86-inch rag stock paper machine in its St. Jerome mill. Total output and capacity of this mill is 2,900 tons annually. Annual capacity of the Mont Rolland mill is 5,300 tons of sulphite pulp and rag stock paper. The mills are driven by power from plants owned by the company on the North River, which have a combined capacity of roughly 2,200 horsepower.

Unlike other producers of fine papers in Canada, Rolland Paper does not produce woodpulp, which it uses as a raw material at Mont Rolland. At St. Jerome, the raw material consists of rags, which are purchased and then converted into pulp. This should prove of advantage to the company at present in view of the very low prices prevailing in the pulp and rag markets.

Stock Has Rights

Though Rolland Paper Co. has been in operation since 1882, public investment interest dates only from 1928. A feature of the company's capital stock is a preferred stock (outstanding to the amount of $1,500,000) which carries common stock purchase warrants. These give the holder the right to purchase common stock up to June 1, 1934, on the basis of three shares for every ten preferred held at prices ranging from $32 to $40 a share.

Capitalization—	Authorized	Issued
Common (No par value).	100,000 shs.	60,001 shs.
Pfd. 6% cum., red. ($100 par).	$2,500,000	$1,500,000

Funded Debt—
5½% first mortgage sinking fund bonds, series A, due 1948; outstanding $2,500,000. (Balance of issued amount $750,000, is held by trustee).

Dividend Record—
Preferred—6 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Paid regularly since Sept. 1, 1928.
Common—None paid.

Officers and Directors—
Officers—S. J. B. Rolland, chairman of board; Jean Rolland, pres.; J. Pierre Rolland, vice-pres.; Olivier Rolland, gen. mgr.; J. A. Forget, sec.-treas.
Directors—S. J. B. Rolland, Jean Rolland, J. Pierre Rolland, W. C. Pitfield, Francis Saint-Pierre, Montreal, P.Q.; Olivier Rolland, Mt. Rolland, P.Q.; Archibald Fraser, Edmundston, N.B.; Donald Fraser, Plaster Rock, N.B.; John H. Price, Quebec, P.Q.

Income and Surplus Account
(Years Ended December 31)

	1930 $	1929 $
Net earnings†	379,358	440,480
Less: Depreciation	72,000	72,000
Bond interest	137,500	137,500
Organ. exp. w/o	10,000	10,000
Net profit	159,858	220,980
Less appropriations:		
Pref. divds.	90,000	90,000
Surp. for year‡	69,858	130,980
Add: Prev. surp.	211,176	80,196
Balance forward	281,034	211,176

† After deducting operating and maintenance expenses. ‡ Before income tax.

	1930	1929
Times Bond Int. Earned:		
Before deprec.	2.76	3.20
After deprec.	2.24	2.68
Earnings per Share and Div. Record:		
Pref.: Earned	$10.66	$14.73
Paid	6.00	6.00
Common: Earned	1.16	2.18
None paid.		

PULP PRODUCED LOWER OF LATE AS DEMAND OFF

Plants on Both Sides of Line Show Less Activity

Wood pulp production in Canada and the United States over the past two years has been on a steadily declining basis. This is simply a reflection of the decline in the output of newsprint, bond, writing and other grades of paper, the demand for which has been affected by business conditions generally.

The decline in activity has been more noticeable in Canada than in the United States. Operations of the American mills have been maintained on a level keel for some time past. Inasmuch as their output falls far short of domestic requirements, it has been necessary to import from other countries, principally Canada. With a decline in consumption, the tendency, of course, has been to limit imports. The result is especially noticeable in the operations of Canadian pulp mills.

Drop 30 Per Cent in 1930

During 1930 groundwood pulp production in Canada totalled 1,614,291 tons, while stock on hand at the end of the year totalled only 8,390 tons. The previous year, which was a record one for the pulp and paper industry, had an output of groundwood pulp totalling 2,007,429 tons, so that the drop in 1930 approximated 20 per cent. There was little difference in stocks on hand, which totalled 9,945 at the end of 1929.

While the American mills reported a decline in production in 1930 as compared with 1929, the decrease was not so marked. Last year American plants produced 982,081 tons of groundwood pulp, or roughly 52,000 tons less than in the preceding year. At the same time there was an increase in stocks on hand from 43,932 tons at the end of 1929 to 49,074 tons at the end of 1930.

No Improvement Yet

Operations both in Canadian and American plants during the current year do not show any improvement; in fact, the decline appears to be accelerated. For the first half of 1930, Canadian mills produced 802,088 tons of groundwood, which compares with an output of 681,712 tons during the first six months of 1931.

Stocks of groundwood pulp on hand in Canadian mills at the end of June in both years were practically unchanged, being approximately 16,000 tons.

American groundwood operations this year resulted in an output of 465,223 tons in the first six months as against 589,033 tons in the corresponding period of 1930. Offsetting this decline, however, is a drop in stocks on hand from 105,194 to 75,040 tons.

Sulphite Output Lower

Production of sulphite pulp in Canada and United States is not so much affected by the decline in production of newsprint,, as in the slowing up in the manufacture of fine papers.

Sulphite production in Canada for 1930 totalled 581,961 tons. This compares with 747,652 tons in the preceding year.

American sulphite mills manufactured 410,047 tons last year, a drop from the 462,332 tons produced in 1929.

Current Figures Off

There has been no apparent improvement this year, the returns supplied by the American Paper and Pulp Association and the Canadian Pulp and Paper Association for identical mills showing a production in Canada for the first six months of 209,304 tons, or approximately 109,000 tons less than in the corresponding period of last year. American plants reported an output of 168,036 tons, or approximately 38,000 tons less than in the first half of 1930.

Details of production during 1929, 1930 and the first half of 1931 for both groundwood and sulphite production follow:

		1930	1929
Groundwood	Can.	1,614,291	2,007,429
	U. S.	982,081	1,042,310
Stocks	Can.	8,390	9,945
	U. S.	49,074	43,932
Sulphite	Can.	581,961	747,652
	U. S.	410,047	462,332
Stocks	Can.	6,791	7,357
	N. S.	7,020	6,853
		6 months 1931	**6 months 1930**
Groundwood	Can.	681,712	802,088
	U. S.	465,323	589,033
Stocks	Can.	16,565	16,007
	U. S.	75,040	105,194
Sulphite	Can.	209,804	318,185
	U. S.	168,036	206,740
Stocks	Can.	4,870	12,289
	U. S.	5.036	6,994

Newsprint Mill Capacity Ample for Present Needs

Machine installations in Canadian, American and Newfoundland newsprint plants are still far in excess of the actual needs of the publishers. While the official operating ratio at present is below 60 per cent of capacity, this figure is apt to be somewhat misleading for the reason that a number of machines are obsolete and cannot be operated profitably on present newsprint prices. Accordingly their usefulness is nil under present conditions. From the following detailed analysis of machine installations of the different operators, it will be seen that the total North American newsprint machine capacity is 19,002 tons daily. On the basis of current production, there is an apparent surplus capacity of 3,436 tons, or the equivalent of about 60 per cent of the present United States capacity.

		Approximate Tons per Day
Abitibi Power and Paper—		
Murray Bay	125	
Ste. Anne	285	
Sturgeon Falls Espanola	730	
Sault Ste. Marie Iroquois Falls Smooth Rock Falls	600	
Fort William	175	
Manitoba	260	
		2,175
Anglo-Canadian		480
Bathurst		140
Beaver		77
Booth, J. R.		158
Canada Power and Paper—		
Laurentide	390	
St. Maurice	263	
Belgo-Canadian	642	
Port Alfred	500	
Wayagamack	170	
		1,944
Canadian International—		
N. B. International	480	
Three Rivers	700	
Gatineau	637	
		1,577
Donnacona		240
Eddy, E. B.		127
Fort Frances		283
Great Lakes		314
Kenora		252
Mersey		240
News		37
Ontario		373
Pacific		256
Powell River		650
Price Brothers		1,020
St. Lawrence Corp.—		
St. Lawrence	460	
Brompton	239	
Lake St. John	252	
		951
Spruce Falls		480
Thunder Bay		246
Daily capacity of mills		12,338
Newfoundland mills		974
Mexican mills		71
United States mills		5,619
Capacity of North American mills		19,002
Production in July		15,536
Approximate surplus capacity on present operating ratio		23,436

Vegetable Parchment Develops Large Trade

Canadian Vegetable Parchment Co., whose mills and head office are at Merritton, Ont., has worked up an excellent business since its formation in 1919 in "Purity Brand" vegetable parchment used for butter, ice cream, poultry and fish wraps, liners, circles and for wrapping all sorts of food, farm and dairy products.

The company is equipped with a modern printing plant and all necessary converting machinery at its mills. Special attention has been devoted to developing the wrappers from the standpoint of their value for advertising purposes to those using them.

Leo E. Charles is both president and managing director, while Richard Carroll is the manager in charge of operations at the mills.

Consolidated Paper Gets Federal Charter

From Our Own Correspondent

MONTREAL.—Federal incorporation papers have been granted to Consolidated Paper Corp. to take over the undertaking and assets of Canada Power and Paper Corp., Anticosti Corp., Belgo-Canadian Paper Co., Wayagamack Pulp and Paper, St. Maurice Valley Corp., and Laurentide Co.

The new company has an authorized capital stock of 2,000,000 shares of no par value and is authorized to borrow up to $80,000,000.

Price Brothers Seek Permits for Cutting

From Our Own Correspondent

MONTREAL.—Requests for wood cutting permits have followed conferences between representatives of the pulp and paper and lumber interests with the Government of Quebec, in connection with increasing cutting during the coming season to give work to unemployed. Among the companies seeking permits are Price Bros. and Co., and the Donnacona Paper Co.

Price Bros. will operate around the basin of Rat river and Mistassini river, and proposes to cut 40,000,000 feet b.m. Donnacona Paper will cut on the Jacques Cartier river to the extent of 8,300,000 feet.

Permits are given for a period of twelve months and are fixed as follows: For saw mill use, $2 per thousand feet for white pine; $1.50 per thousand feet for red pine; $1 per thousand feet for spruce. For pulpwood a uniform rate of $1.50 per thousand feet b.m. is imposed.

Inter. Paper Newfoundland Cuts Salaries 10 Per Cent

From Our Own Correspondent

MONTREAL. — Notice has been given that officials and employees of the International Power and Paper Co. of Newfoundland, have received a ten per cent cut in salaries. This is in line with a similar reduction effected throughout all subsidiaries of International Paper and Power as well as in the parent organization itself.

N. B. International Paper Operates on Short Time

From Our Own Correspondent

MONTREAL. — A temporary shutdown has been placed in effect at the Dalhousie mill of N. B. International Paper Co., which is now operating five days a week. Grinding room crews are working on a six hour shift schedule and paper machines number one and number two are presently idle.

CANADIAN VEGETABLE PARCHMENT CO. LIMITED

Plain Parchment
Butter Wrappers
Butter Box Liners
Tub Circles
Lard Wrappers and Bags
Milk Can Top Covers
Ice Cream Brick Wrappers, etc., etc.

PURITY BRAND
GENUINE VEGETABLE PARCHMENT
"THOROUGHBRED"

Lobster Can Liners
Fish Wrappers
Fish Fillet Envelopes
Fish Box Liners
Poultry Head Wraps
Meat and Ham Wrappers
Sausage Wrappers, etc., etc.

GENUINE PURE VEGETABLE PARCHMENT
Modern and complete Printing and Converting Department at mills.
MILLS AT MERRITTON, ONTARIO

GARDEN CITY PAPER MILLS CO. LIMITED

GARDEN CITY

Toilet Papers, Wrapping Tissues, Paper Napkins, Paper Towels in Rolls and Interfolded, Waxed Papers,
Light Weight Specialty Papers
Big Four Line of High Grade Toilet Papers *National No Waste Cabinet Toilet Tissue*
Public Service Folded Towels
MILLS AT ST. CATHARINES and MERRITTON, ONTARIO

Serving
Canada's Pulp and Paper Industry
Electrically

General Electric Equipment for Pulp and Paper Mills Includes:
Generators
Steam Turbines
Switchboards
Circuit Breakers
Transformers
Motors
Industrial Control
Motor-Generators
Electric Locomotives
Arc Welding Equipment
Industrial Lighting
Wire and Cable
Edison Mazda Lamps

ELECTRICAL equipment manufactured by Canadian General Electric is found, from Coast to Coast in pulp and paper mills, increasing production and making operation safer, cleaner and more efficient.

Canadian General Electric Co. Ltd., backed by forty years of manufacturing experience, maintains five well-equipped factories at Peterborough and Toronto, and a chain of branch offices from Halifax to Victoria.

C. G. E. has kept pace with the growth of the Pulp and Paper Industry, and enjoys the distinction of having pioneered many of its most outstanding electrical developments.

CANADIAN
GENERAL GE ELECTRIC
COMPANY LIMITED
Head Office - Toronto—Sales and Engineering Offices in Principal Cities